



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE
UnitedHealthcare of the Midlands, Inc.

NAIC Group Code07070707NAIC Company Code95591Employer's ID Number47-0676824
(Current)(Prior)

Organized under the Laws ofNebraska, State of Domicile or Port of EntryNE

Country of DomicileUnited States of America

Licensed as business type:Health Maintenance Organization

Is HMO Federally Qualified? Yes[] No[X]

Incorporated/Organized04/16/1984Commenced Business10/01/1984

Statutory Home Office2717 North 118th Street; Suite 300Omaha, NE, US 68164-9672
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office2717 North 118th Street; Suite 300
(Street and Number)

Omaha, NE, US 68164-9672402-445-5600
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address2717 North 118th Street; Suite 300Omaha, NE, US 68164-9672
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records9800 Health Care Lane MN006-W500
(Street and Number)

Minnetonka, MN, US 55343952-202-8230
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.uhc.com

Statutory Statement ContactKathleen Welsh763-361-0320
(Name)(Area Code) (Telephone Number)

kathleen.welsh@uhc.com952-931-4651
(E-mail Address)(FAX Number)

OFFICERS

President, Chief Executive Officer	Kathleen Ann Mallatt	Vice President, Chief Financial Officer	James Stevenson Elliston
Secretary	Christina Regina Palme-Krizak	Treasurer	Peter Marshall Gill

OTHER

Robert Andersen Broomfield, President, Commercial	Nyle Brent Cottingham, Vice President	Heather Anastasia Lang, Assistant Secretary
Jessica Leigh Zuba, Assistant Secretary		

DIRECTORS OR TRUSTEES

Robert Andersen Broomfield	Lowell William Gratopp	Kathleen Ann Mallatt
----------------------------	------------------------	----------------------

State of	State of	State of
County of	County of	County of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions there from for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Kathleen Ann Mallatt President, Chief Executive Officer	Christina Regina Palme-Krizak Secretary	Peter Marshall Gill Treasurer
Subscribed and sworn to before me this day of	Subscribed and sworn to before me this day of	Subscribed and sworn to before me this day of

a. Is this an original filing?..... Yes [X] No []

b. If no,

- State the amendment number.....
- Date filed.....
- Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	499,488,962	0	499,488,962	412,606,073
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(250,234) , Schedule E - Part 1), cash equivalents (\$22,144,456 , Schedule E - Part 2) and short-term investments (\$16,855,021 , Schedule DA)	38,749,243	0	38,749,243	30,495,736
6. Contract loans, (including \$0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	538,238,205	0	538,238,205	443,101,809
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	3,737,826	0	3,737,826	2,852,273
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	11,987,297	747,010	11,240,287	27,896,535
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$1,707,225) and contracts subject to redetermination (\$142,516,415)	143,733,508	0	143,733,508	132,510,522
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	29,939
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	31,083,353	30,698	31,052,655	21,769,582
18.1 Current federal and foreign income tax recoverable and interest thereon	8,827,967	0	8,827,967	6,224,162
18.2 Net deferred tax asset	3,399,626	0	3,399,626	2,536,007
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$95,029,571) and other amounts receivable	105,719,230	10,689,659	95,029,571	87,541,033
25. Aggregate write-ins for other than invested assets	5,878	3,265	2,613	5,191,799
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	846,732,890	11,470,632	835,262,258	729,653,661
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	846,732,890	11,470,632	835,262,258	729,653,661
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Premium Tax Recoverable	2,613	0	2,613	691,546
2502. Prepaid Commissions	2,597	2,597	0	0
2503. Miscellaneous Receivables	668	668	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	4,500,253
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	5,878	3,265	2,613	5,191,799

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$0 reinsurance ceded)	390,227,149	0	390,227,149	319,140,151
2. Accrued medical incentive pool and bonus amounts	30,433,465	0	30,433,465	36,146,013
3. Unpaid claims adjustment expenses	3,053,153	0	3,053,153	2,595,150
4. Aggregate health policy reserves, including the liability of \$97,556 for medical loss ratio rebate per the Public Health Service Act	4,034,861	0	4,034,861	32,924,717
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	945,561	0	945,561	805,150
8. Premiums received in advance	1,023,403	0	1,023,403	1,231,587
9. General expenses due or accrued	15,032,645	0	15,032,645	8,713,832
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	1,203,755	0	1,203,755	1,059,133
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	533,646	0	533,646	39,312
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	13,312,576	0	13,312,576	2,768,942
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	6,938,461
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	17,108,713	0	17,108,713	14,572,880
23. Aggregate write-ins for other liabilities (including \$530 current)	530	0	530	1,966
24. Total liabilities (Lines 1 to 23)	476,909,457	0	476,909,457	426,937,294
25. Aggregate write-ins for special surplus funds	XXX	XXX	67,946,508	0
26. Common capital stock	XXX	XXX	100,000	100,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	61,100,000	61,100,000
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	229,206,293	241,516,367
32. Less treasury stock, at cost: 32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	358,352,801	302,716,367
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	835,262,258	729,653,661
DETAILS OF WRITE-INS				
2301. Unclaimed Property	530	0	530	1,966
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	530	0	530	1,966
2501. Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	67,946,508	0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	67,946,508	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	4,058,508	3,803,839
2. Net premium income (including \$0 non-health premium income).....	XXX	3,542,688,131	3,101,313,307
3. Change in unearned premium reserves and reserve for rate credits	XXX	27,224,482	1,151,083
4. Fee-for-service (net of \$0 medical expenses).....	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	3,569,912,613	3,102,464,390
Hospital and Medical:			
9. Hospital/medical benefits	0	2,637,968,063	2,246,862,672
10. Other professional services	0	43,295,300	27,501,289
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	0	0
13. Prescription drugs	0	241,339,619	215,496,907
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	38,083,361	39,328,119
16. Subtotal (Lines 9 to 15)	0	2,960,686,343	2,529,188,987
Less:			
17. Net reinsurance recoveries	0	23,622	0
18. Total hospital and medical (Lines 16 minus 17)	0	2,960,662,721	2,529,188,987
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$99,928,132 cost containment expenses	0	139,329,523	127,630,647
21. General administrative expenses	0	275,011,820	287,600,455
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	3,375,004,064	2,944,420,089
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	194,908,549	158,044,301
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	17,605,041	13,528,363
26. Net realized capital gains (losses) less capital gains tax of \$61,777	0	185,170	(12,294)
27. Net investment gains (losses) (Lines 25 plus 26)	0	17,790,211	13,516,069
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$307,466) (amount charged off \$(1,333,473))]	0	(1,026,007)	(1,168,827)
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	211,672,753	170,391,543
31. Federal and foreign income taxes incurred	XXX	44,299,256	46,134,303
32. Net income (loss) (Lines 30 minus 31)	XXX	167,373,497	124,257,240
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.	0	0	0
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	302,716,367	193,328,409
34. Net income or (loss) from Line 32	167,373,497	124,257,240
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$13,044	49,069	57,466
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	876,663	(96,403)
39. Change in nonadmitted assets	(2,662,795)	169,655
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	(110,000,000)	(15,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	55,636,434	109,387,958
49. Capital and surplus end of reporting period (Line 33 plus 48)	358,352,801	302,716,367
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	3,546,515,212	3,042,859,699
2. Net investment income	19,392,473	14,652,601
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	3,565,907,685	3,057,512,300
5. Benefit and loss related payments	2,905,116,052	2,516,383,156
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	410,174,739	478,342,126
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	46,964,838	59,395,696
10. Total (Lines 5 through 9)	3,362,255,630	3,054,120,978
11. Net cash from operations (Line 4 minus Line 10)	203,652,055	3,391,322
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	74,809,398	26,265,664
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	50	0
12.7 Miscellaneous proceeds	0	5,831,512
12.8 Total investment proceeds (Lines 12.1 to 12.7)	74,809,448	32,097,176
13. Cost of investments acquired (long-term only):		
13.1 Bonds	164,029,013	106,137,165
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	6,938,461	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	170,967,474	106,137,165
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(96,158,026)	(74,039,989)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	110,000,000	15,000,000
16.6 Other cash provided (applied)	10,759,477	(14,249,047)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(99,240,523)	(29,249,047)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	8,253,506	(99,897,714)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	30,495,736	130,393,450
19.2 End of year (Line 18 plus Line 19.1)	38,749,243	30,495,736

Note: Supplemental disclosures of cash flow information for non-cash transactions:

--	--	--

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	3,542,688,131	8,127,274	0	0	0	0	3,085,274,323	449,286,534	0	0
2. Change in unearned premium reserves and reserve for rate credit	27,224,482	(97,556)	0	0	0	0	27,872,011	(549,973)	0	0
3. Fee-for-service (net of \$0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	3,569,912,613	8,029,718	0	0	0	0	3,113,146,334	448,736,561	0	0
8. Hospital/medical benefits	2,637,968,063	5,647,859	0	0	0	0	2,318,644,377	313,675,827	0	XXX
9. Other professional services	43,295,300	1,385	0	0	0	0	41,017,617	2,276,298	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	241,339,619	643,937	0	0	0	0	155,338,859	85,356,823	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	38,083,361	31,365	0	0	0	0	37,318,386	733,610	0	XXX
15. Subtotal (Lines 8 to 14)	2,960,686,343	6,324,546	0	0	0	0	2,552,319,239	402,042,558	0	XXX
16. Net reinsurance recoveries	23,622	23,622	0	0	0	0	0	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,960,662,721	6,300,924	0	0	0	0	2,552,319,239	402,042,558	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$99,928,132 cost containment expenses	139,329,523	294,050	0	0	0	0	117,864,126	21,171,347	0	0
20. General administrative expenses	275,011,820	685,587	0	0	0	0	246,638,483	27,687,750	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	3,375,004,064	7,280,561	0	0	0	0	2,916,821,848	450,901,655	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	194,908,549	749,157	0	0	0	0	196,324,486	(2,165,094)	0	0
DETAILS OF WRITE-INS										XXX
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	8,159,450	0	32,175	8,127,275
2.	Medicare Supplement	0	0	0	0
3.	Dental only	0	0	0	0
4.	Vision only	0	0	0	0
5.	Federal Employees Health Benefits Plan	0	0	0	0
6.	Title XVIII - Medicare	3,097,772,531	0	12,498,210	3,085,274,321
7.	Title XIX - Medicaid	451,088,690	0	1,802,155	449,286,535
8.	Other health	0	0	0	0
9.	Health subtotal (Lines 1 through 8)	3,557,020,671	0	14,332,540	3,542,688,131
10.	Life	0	0	0	0
11.	Property/casualty	0	0	0	0
12.	Totals (Lines 9 to 11)	3,557,020,671	0	14,332,540	3,542,688,131

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	2,861,373,703	6,321,461	.0	.0	.0	.0	2,460,851,039	394,201,203	.0	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	53,561	53,561	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	2,861,320,142	6,267,900	.0	.0	.0	.0	2,460,851,039	394,201,203	.0	.0
2. Paid medical incentive pools and bonuses	43,795,910	1,382	.0	.0	.0	.0	42,175,208	1,619,320	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	390,227,149	767,723	.0	.0	.0	.0	349,223,743	40,235,683	.0	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	390,227,149	767,723	.0	.0	.0	.0	349,223,743	40,235,683	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	945,561	.0	.0	.0	.0	.0	393,787	551,774	.0	.0
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	945,561	.0	.0	.0	.0	.0	393,787	551,774	.0	.0
5. Accrued medical incentive pools and bonuses, current year	30,433,465	30,027	.0	.0	.0	.0	29,849,053	554,385	.0	.0
6. Net healthcare receivables (a)	9,998,131	234,261	.0	.0	.0	.0	9,177,852	586,018	.0	.0
7. Amounts recoverable from reinsurers December 31, current year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	319,140,151	561,742	.0	.0	.0	.0	285,964,770	32,613,639	.0	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	319,140,151	561,742	.0	.0	.0	.0	285,964,770	32,613,639	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	805,150	.0	.0	.0	.0	.0	325,096	480,054	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net	805,150	.0	.0	.0	.0	.0	325,096	480,054	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	36,146,013	44	0	0	0	0	34,705,874	1,440,095	0	0
11. Amounts recoverable from reinsurers December 31, prior year	29,939	29,939	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	2,922,602,981	6,293,181	.0	.0	.0	.0	2,515,000,851	401,308,949	.0	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	23,622	23,622	0	0	0	0	0	0	0	0
12.4 Net	2,922,579,359	6,269,559	0	0	0	0	2,515,000,851	401,308,949	0	0
13. Incurred medical incentive pools and bonuses	38,083,362	31,365	0	0	0	0	37,318,387	733,610	0	0

(a) Excludes \$ 682,478 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	155,381,593	318,135	.0	.0	.0	.0	145,584,081	9,479,377	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	155,381,593	318,135	.0	.0	.0	.0	145,584,081	9,479,377	.0	.0
2. Incurred but Unreported:										
2.1 Direct	229,322,773	449,151	.0	.0	.0	.0	198,244,867	30,628,755	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	229,322,773	449,151	.0	.0	.0	.0	198,244,867	30,628,755	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	5,522,783	437	.0	.0	.0	.0	5,394,795	127,551	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	5,522,783	437	.0	.0	.0	.0	5,394,795	127,551	.0	.0
4. TOTALS:										
4.1 Direct	390,227,149	767,723	.0	.0	.0	.0	349,223,743	40,235,683	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	390,227,149	767,723	0	0	0	0	349,223,743	40,235,683	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	414,111	5,883,728	23,322	744,401	437,433	561,742
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	169,995,543	2,290,855,496	13,990,410	335,627,120	183,985,953	286,289,866
7. Title XIX - Medicaid	30,127,007	364,074,196	5,036,248	35,751,209	35,163,255	33,093,693
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	200,536,661	2,660,813,420	19,049,980	372,122,730	219,586,641	319,945,301
10. Healthcare receivables (a)	5,915,032	91,594,363	0	7,527,358	5,915,032	95,038,621
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	28,921,005	14,874,905	1,438,953	28,994,513	30,359,958	36,146,013
13. Totals (Lines 9 - 10 + 11 + 12)	223,542,634	2,584,093,962	20,488,933	393,589,885	244,031,567	261,052,693

(a) Excludes \$682,478 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	(14)	(14)	(22)	(17)	(18)
2.	2015	0	0	(5)	26	18
3.	2016	XXX	95,479	102,504	101,896	101,847
4.	2017	XXX	XXX	77	75	75
5.	2018	XXX	XXX	XXX	4,312	4,755
6.	2019	XXX	XXX	XXX	XXX	5,884

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	(14)	(14)	(22)	(17)	(18)
2.	2015	0	0	(5)	26	18
3.	2016	XXX	111,839	102,623	101,896	101,847
4.	2017	XXX	XXX	93	48	75
5.	2018	XXX	XXX	XXX	4,901	4,791
6.	2019	XXX	XXX	XXX	XXX	6,645

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	0	18	533	2,961.1	551	0.0	0	0	551	0.0
2. 2016	106,715	101,847	4,772	4.7	106,619	99.9	0	0	106,619	99.9
3. 2017	718	75	5	6.7	80	11.1	0	0	80	11.1
4. 2018	6,826	4,755	52	1.1	4,807	70.4	36	0	4,843	70.9
5. 2019	8,030	5,884	256	4.4	6,140	76.5	762	3	6,905	86.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	8,078	8,039	7,990	7,933	7,954
2.	2015	73,018	82,471	82,583	82,572	82,570
3.	2016	XXX	202,884	232,281	232,228	232,159
4.	2017	XXX	XXX	1,482,278	1,683,726	1,684,234
5.	2018	XXX	XXX	XXX	1,944,905	2,141,762
6.	2019	XXX	XXX	XXX	XXX	2,305,712

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	8,674	8,039	7,990	7,933	7,954
2.	2015	87,354	83,252	82,583	82,572	82,570
3.	2016	XXX	246,603	234,497	232,228	232,159
4.	2017	XXX	XXX	1,760,957	1,694,349	1,684,234
5.	2018	XXX	XXX	XXX	2,255,278	2,157,104
6.	2019	XXX	XXX	XXX	XXX	2,669,837

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	103,527	82,570	6,127	7.4	88,697	85.7	0	0	88,697	85.7
2. 2016	280,973	232,159	20,104	8.7	252,263	89.8	0	0	252,263	89.8
3. 2017	2,122,161	1,684,234	83,260	4.9	1,767,494	83.3	0	0	1,767,494	83.3
4. 2018	2,653,927	2,141,762	107,467	5.0	2,249,229	84.8	15,342	103	2,264,674	85.3
5. 2019	3,113,146	2,305,712	102,013	4.4	2,407,725	77.3	364,125	2,583	2,774,433	89.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	21,419	22,419	19,916	21,214	21,405
2.	2015	129,277	151,118	150,350	151,232	151,048
3.	2016	XXX	135,574	163,710	161,699	162,117
4.	2017	XXX	XXX	342,003	371,342	373,976
5.	2018	XXX	XXX	XXX	336,907	365,574
6.	2019	XXX	XXX	XXX	XXX	364,093

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	21,524	22,419	19,916	21,214	21,405
2.	2015	154,288	151,944	150,350	151,232	151,048
3.	2016	XXX	164,105	164,126	161,699	162,117
4.	2017	XXX	XXX	379,598	373,468	373,976
5.	2018	XXX	XXX	XXX	369,315	370,686
6.	2019	XXX	XXX	XXX	XXX	400,324

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	182,869	151,048	11,917	7.9	162,965	89.1	0	0	162,965	89.1
2. 2016	188,340	162,117	15,115	9.3	177,232	94.1	0	0	177,232	94.1
3. 2017	420,036	373,976	21,608	5.8	395,584	94.2	0	0	395,584	94.2
4. 2018	441,712	365,574	21,000	5.7	386,574	87.5	5,111	45	391,730	88.7
5. 2019	448,737	364,093	18,325	5.0	382,418	85.2	36,230	319	418,967	93.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	29,483	30,444	27,884	29,130	29,341
2.	2015	202,295	233,589	232,928	233,830	233,636
3.	2016	XXX	433,937	498,495	495,823	496,123
4.	2017	XXX	XXX	1,824,358	2,055,143	2,058,285
5.	2018	XXX	XXX	XXX	2,286,124	2,512,091
6.	2019	XXX	XXX	XXX	XXX	2,675,689

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	30,184	30,444	27,884	29,130	29,341
2.	2015	241,642	235,196	232,928	233,830	233,636
3.	2016	XXX	522,547	501,246	495,823	496,123
4.	2017	XXX	XXX	2,140,648	2,067,865	2,058,285
5.	2018	XXX	XXX	XXX	2,629,494	2,532,581
6.	2019	XXX	XXX	XXX	XXX	3,076,806

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	286,396	233,636	18,577	8.0	252,213	88.1	0	0	252,213	88.1
2. 2016	576,028	496,123	39,991	8.1	536,114	93.1	0	0	536,114	93.1
3. 2017	2,542,915	2,058,285	104,873	5.1	2,163,158	85.1	0	0	2,163,158	85.1
4. 2018	3,102,465	2,512,091	128,519	5.1	2,640,610	85.1	20,489	148	2,661,247	85.8
5. 2019	3,569,913	2,675,689	120,594	4.5	2,796,283	78.3	401,117	2,905	3,200,305	89.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$0) for investment income	2,009,641	97,556	0	0	0	0	0	1,912,085	0
5. Aggregate write-ins for other policy reserves	2,025,220	134,962	0	0	0	0	920,489	969,769	0
6. Totals (gross)	4,034,861	232,518	0	0	0	0	920,489	2,881,854	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4)	4,034,861	232,518	0	0	0	0	920,489	2,881,854	0
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	945,561	0	0	0	0	0	393,787	551,774	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	945,561	0	0	0	0	0	393,787	551,774	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7)	945,561	0	0	0	0	0	393,787	551,774	0
DETAILS OF WRITE-INS									
0501. Redetermination Contract Payable	969,769	0	0	0	0	0	0	969,769	0
0502. CMS Risk Adjustment Factor Payable	920,489	0	0	0	0	0	920,489	0	0
0503. Risk Adjustment Data Validation Payable	125,598	125,598	0	0	0	0	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	9,364	9,364	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	2,025,220	134,962	0	0	0	0	920,489	969,769	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$0 for occupancy of own building)	2,983,773	1,073,373	6,219,789	0	10,276,935
2. Salary, wages and other benefits	52,231,305	18,789,523	108,878,163	0	179,898,991
3. Commissions (less \$0 ceded plus \$0 assumed)	0	0	59,538,148	0	59,538,148
4. Legal fees and expenses	590,884	212,563	1,231,719	0	2,035,166
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	5,323,940	1,915,217	11,097,957	0	18,337,114
7. Traveling expenses	1,444,437	519,617	3,010,984	0	4,975,038
8. Marketing and advertising	2,967,269	1,067,436	6,185,386	0	10,220,091
9. Postage, express and telephone	2,772,261	997,284	9,309,462	0	13,079,007
10. Printing and office supplies	3,582,758	1,288,850	7,468,396	0	12,340,004
11. Occupancy, depreciation and amortization	1,373,344	494,042	2,862,788	0	4,730,174
12. Equipment	479,393	172,455	999,314	0	1,651,162
13. Cost or depreciation of EDP equipment and software	5,740,667	2,065,129	11,966,640	0	19,772,436
14. Outsourced services including EDP, claims, and other services	4,119,920	7,006,836	9,877,571	0	21,004,327
15. Boards, bureaus and association fees	73,050	26,279	152,275	0	251,604
16. Insurance, except on real estate	635,384	228,571	1,324,483	0	2,188,438
17. Collection and bank service charges	271,644	97,720	566,253	0	935,617
18. Group service and administration fees	1,497,432	536,709	3,816,708	0	5,850,849
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	90,736	42,331	299,351	0	432,418
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	11,040,977	0	11,040,977
23.2 State premium taxes	0	0	(5,034)	0	(5,034)
23.3 Regulatory authority licenses and fees	0	0	120,840	0	120,840
23.4 Payroll taxes	1,799,592	839,558	5,937,125	0	8,576,275
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	333,569	333,569
25. Aggregate write-ins for expenses	11,950,343	2,027,898	13,112,525	0	27,090,766
26. Total expenses incurred (Lines 1 to 25)	99,928,132	39,401,391	275,011,820	333,569	(a) .....414,674,912
27. Less expenses unpaid December 31, current year ..	2,189,743	863,410	14,920,171	112,474	18,085,798
28. Add expenses unpaid December 31, prior year	1,497,741	1,097,409	8,628,603	85,229	11,308,982
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	99,236,130	39,635,390	268,720,252	306,324	407,898,096
DETAILS OF WRITE-INS					
2501. Sundry General Expenses	9,345,599	1,397,488	9,406,180	0	20,149,267
2502. Professional Fees\Consulting	1,369,552	492,678	2,854,883	0	4,717,113
2503. Managed Care & Network Access	893,676	14,875	86,194	0	994,745
2598. Summary of remaining write-ins for Line 25 from overflow page	341,516	122,857	765,268	0	1,229,641
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	11,950,343	2,027,898	13,112,525	0	27,090,766

(a) Includes management fees of \$240,150,217 to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) .....1,298,948	.....1,289,933
1.1	Bonds exempt from U.S. tax	(a) .....0	.....0
1.2	Other bonds (unaffiliated)	(a) .....10,012,838	.....10,931,173
1.3	Bonds of affiliates	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated)	(b) .....0	.....0
2.11	Preferred stocks of affiliates	(b) .....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans	(c) .....0	.....0
4.	Real estate	(d) .....0	.....0
5	Contract Loans .....	.....0	.....0
6	Cash, cash equivalents and short-term investments	(e) .....5,717,823	.....5,718,168
7	Derivative instruments	(f) .....0	.....0
8.	Other invested assets .....	.....0	.....0
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	17,029,608	17,939,274
11.	Investment expenses		(g) .....333,569
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h) .....664
14.	Depreciation on real estate and other invested assets		(i) .....0
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....334,233
17.	Net investment income (Line 10 minus Line 16)		17,605,041
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$111,258 accrual of discount less \$2,756,998 amortization of premium and less \$532,442 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$14,870 accrual of discount less \$0 amortization of premium and less \$759 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$.0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	282,384	0	282,384	62,113	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	(35,486)	0	(35,486)	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	50	0	50	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	246,948	0	246,948	62,113	0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	747,010	869,765	122,755
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	30,698	34,100	3,402
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	10,689,659	7,903,015	(2,786,644)
25. Aggregate write-ins for other than invested assets	3,265	957	(2,308)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	11,470,632	8,807,837	(2,662,795)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	11,470,632	8,807,837	(2,662,795)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous Receivables	2,597	863	(1,734)
2502. Prepaid Commissions	668	94	(574)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,265	957	(2,308)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	324,932	335,644	336,397	339,840	342,547	4,058,508
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	324,932	335,644	336,397	339,840	342,547	4,058,508
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

UNITEDHEALTHCARE OF THE MIDLANDS, INC.

**NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

UnitedHealthcare of the Midlands, Inc. (the “Company”), licensed as a health maintenance organization (“HMO”), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of UnitedHealthcare, Inc. (“UHC”). UHC is a wholly owned subsidiary of United HealthCare Services, Inc. (“UHS”), a management corporation that provides services to the Company under the terms of a management agreement (the “Agreement”). UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on April 16, 1984, as an HMO and operations commenced in August 1984. The Company is certified as an HMO by the Nebraska Department of Insurance (“the Department”). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees. The Company is licensed in eight states.

The Company offers comprehensive commercial products to employer groups. Each contract outlines the coverage provided and renewal provisions.

The Company serves as a plan sponsor offering Medicare Parts A & B, along with Medicare Part D prescription drug insurance coverage, as well as Medicare specialized programs including a Dual Special Needs Plan (“DSNP”), a Fully Integrated Dual Eligible Special Needs Plan (“FIDE-SNP”), and an Institutional Special Needs Plan (“ISNP”) (collectively “Medicare Plans”) under contracts with the Centers for Medicare and Medicaid Services (“CMS”). The Company receives seven different payment elements either during the year or at final settlement in the subsequent year: CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share, and the CMS coverage gap discount program (“CGDP”). The applicable payment elements are received either during the year or at settlement in the subsequent year. Each component of the Medicare program is further defined throughout Note 1.

The Company has a contract with the State of Nebraska, Department of Health and Human Services (“DHHS”), Division of Medicaid and Long Term Care, to provide health care services to Medicaid eligible beneficiaries, which include eligible beneficiaries under the Children’s Health Insurance Program (“CHIP”), in Nebraska. The current contract is effective through December 31, 2022, with two one year extensions thereafter.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices, prescribed or permitted by the State of Nebraska, for determining and reporting the financial condition and results of operations of an HMO for determining its solvency under Nebraska Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed or permitted by the State of Nebraska and the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	SSAP #	F/S Page #	F/S Line #	December 31, 2019	December 31, 2018
Net Income					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 167,373,497	\$ 124,257,240
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 167,373,497</u>	<u>\$ 124,257,240</u>
Capital and Surplus					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 358,352,801	\$ 302,716,367
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 358,352,801</u>	<u>\$ 302,716,367</u>

B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company’s estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, aggregate health policy reserves (including medical loss ratio rebates) and aggregate health claim reserves, and risk adjustment estimates. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America (“GAAP”).

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office of the NAIC (“SVO”) identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuation of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;

- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves ("PDR") (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The data and assumptions underlying such estimates and the resulting reserves are periodically updated, and any adjustments are reflected as an increase or a decrease in reserves for life and accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the PDR calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to its affiliate, UHS, in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses ("GAE") to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2019 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;
- (12) The Company does not carry any fixed assets on the statutory basis financial statements;
- (13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager and affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care and other amounts receivable also include receivables for amounts due to the Company for provider advances and claim overpayments to providers, hospitals and other health care organizations. Health care and other amounts receivable are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Cash overdrafts, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in disbursement accounts with a maturity date of less than one year from acquisition. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents include money-market funds. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value ("NAV") as a practical expedient;
- Short-term investments include corporate debt securities. Short-term investments have a maturity of greater than three months but less than one year at the time of purchase. Short-term investments also consist of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains (losses) less capital gains tax (benefit) in the statutory basis statements of operations;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) less capital gains tax (benefit) in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment ("OTTI") of \$0 and \$633 for the years ended December 31, 2019 and 2018, respectively;

- The NAIC SAP requires the following captions to be taken into consideration in the reconciliation of the statutory basis statements of cash flows: cash, including cash overdrafts, cash equivalents, and short-term investments, which can include restricted cash reserves, with original maturities of one year or less from the time of acquisition, whereas under GAAP, pursuant to Accounting Standards Update 2016-18, *Statement of Cash Flows, Restricted Cash*, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and NAIC SAP. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members, groups, CMS, and state Medicaid agency as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include the following (see Note 24):
 - a) risk adjustment receivables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment receivable is recorded when the Company estimates its average actuarial risk score for policies included in this program is greater than the average actuarial risk scores in that market and state risk pool;
 - b) CMS risk corridor receivables for which adjustments are based on whether the ultimate per member per month (“PMPM”) benefit costs of any Medicare program plan varies more than 5% above the level estimated in the original bid submitted by the Company and approved by CMS; and
 - c) CMS risk adjustment receivables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured.

Premium adjustments for CMS risk corridor programs are accounted for as premium adjustments subject to retrospectively rated features. Premium adjustments for the ACA Section 1343 risk adjustment and CMS risk adjustment programs are accounted for as premium adjustments subject to redetermination.

- **Amounts Receivable Relating to Uninsured Plans** — The Company reports amounts due to the Company from CMS, state Medicaid agencies, and groups for the administrative activities it performs for which it has no insurance risk as amounts receivable relating to uninsured plans (see Note 18). Amounts receivable relating to uninsured plans includes the following:
 - a) Costs incurred in excess of the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy is consistent with reimbursement for individuals. The low-income member cost-sharing subsidy for employer group members is only received at settlement which is in the subsequent year;
 - b) The Patient Protection and Affordable Care Act and its related legislation mandates consumer discounts of 70% in 2019 and 50% in 2018 on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the CGDP, the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts. There are no similar subsidies for employer group members. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.
- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company's allocated intercompany estimated payments are more than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).
- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.
- **State Income Tax Recoverable** — State income tax recoverable represents amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a state regulation or statute.
- **Premium Tax Recoverable** — The Company pays premium taxes on insurance premiums collected in various states. Many states require estimated payments throughout the year, generally based on prior year insurance premium collections. The Company reports premium tax recoverable in the statutory basis statements of admitted assets, liabilities and capital and surplus when estimated payments exceed the premium tax liability for the year.

LIABILITIES

- **Claims Unpaid and Aggregate Health Claim Reserves** — Claims unpaid and aggregate health claim reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2019 and 2018. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company's liability for unpaid claims and aggregate health claim reserves as of December 31, 2019; however, actual payments may differ from those established estimates.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Accrued Medical Incentive Pool and Bonus Amounts** —The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Aggregate Health Policy Reserves** — The Company establishes a liability, net of ceded reinsurance, for estimated accrued retrospective and redetermination premiums due from the Company based on the actuarial method and assumptions for each respective contract. Aggregate health policy reserves also includes:

a) risk adjustment payables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is less than the average actuarial risk scores in that market and state risk pool (see Note 24);

b) CMS risk adjustment payables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. If diagnosis data submitted to CMS needs to be corrected or deleted, the revised diagnosis data can be re-submitted. The Company estimates reductions to risk adjustment revenues and corresponding change in CMS risk adjustment payables based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable (see Note 24);

c) Heritage Health Medical estimated provider quality performance payable based on various quality measures (see Note 24);

d) estimated rebates payable on the comprehensive commercial, Medicaid and Medicare products, if the medical loss ratios on these fully insured products, as calculated under the definitions of the ACA and/or State statutes (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually (see Note 24); and

e) effective January 1, 2019, the State of Nebraska instituted a high cost drug pool which would retrospectively re-allocate funding between Managed Care Organizations (“MCO”) should there be a disproportionate share of high-cost drug experience for any of the MCOs (see Note 24).

- **Premiums Received in Advance** — Premiums received in full for the policies processed during the current period, but prior to the commencement of the service period, are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments, commissions payable, premium taxes, state income taxes and the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).
- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.
- **Amounts Due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts due to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Payable for Securities** — The Company reports payable for securities when investments are traded at the end of an accounting period for which the settlement does not occur until the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents amounts due from the Company to CMS, state Medicaid agencies, and groups for the administrative activities it performs for which it has no insurance risk (see Note 18). Liability for amounts held under uninsured plans includes the following:
 - a) Costs incurred that are less than the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs less than these subsidies, a corresponding liability is recorded. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy is consistent with reimbursement for individuals. The low-income member cost-sharing subsidy for employer group members is only received at settlement which is in the subsequent year;
 - b) The ACA mandates consumer discounts of 70% in 2019 and 50% in 2018 on brand name prescription drugs for Part D plan participants in the coverage gap. These discounts are pre-funded for the individual members by CMS and a liability for the amount subject to recoupment is recorded. There are no similar subsidies for employer group members. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk; and
 - c) Payments received from DHHS include amounts due to the University of Nebraska Medical Center (“UNMC”). The Company assumes no risk and does not recognize any premium revenue or medical expense. The liability is recorded as amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care receivables, prepaid expenses, miscellaneous receivables, and amounts receivable relating to uninsured plans, are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$1,108,448 and \$1,117,106 as of December 31, 2019 and 2018, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company. The Iowa Department of Insurance has waived the requirement to maintain restricted cash reserves since 2003.
- **Minimum Capital and Surplus** — Under the laws of the State of Nebraska, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to \$36,926,881 as of December 31, 2019.

Risk-based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula.

The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

The Company has \$358,352,801 and \$302,716,367 in total statutory basis capital and surplus as of December 31, 2019 and 2018, respectively, which is in compliance with the required amounts where it is licensed to do business.

- **Section 9010 ACA Subsequent Fee Year Assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2019 Health Insurer Fee ("HIF") moratorium, no HIF was payable in 2019, therefore no amounts were apportioned out of unassigned surplus in the 2018 statutory basis statements of admitted assets, liabilities, and capital and surplus.

STATEMENTS OF OPERATIONS

- **Net Premium Income and Change in Unearned Premium Reserves and Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations.

Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Pursuant to Section 1343 of the ACA, the Company records premium adjustments for changes to the risk adjustment balances which are reflected in change in net premium income, in the statutory basis statements of operations.

Net premium income includes premiums under the Medicare Plans which includes CMS premiums, including amounts pursuant to the CMS risk adjustment program, member premiums, and the CMS low-income premium subsidy for the Company's insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits.

The Company also records estimates related to the CMS risk corridor program. Change to these estimates are reflected as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company's Medicare Plans are subject to medical loss ratio requirements under the ACA. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as reserve for rate credits in the statutory basis statements of operations.

Net premium income also includes amounts paid by state and federal governments on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid and CHIP. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments, home nursing risk-sharing payments, high-dollar risk pool payments, and maternity payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled. Home nursing risk-sharing income is payable based upon the number of members that qualify for such reimbursement.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

Total hospital and medical expenses also include amounts incurred for incentive pool, withhold adjustments, and bonus amounts that are based on the underlying contractual provisions with the respective providers. In addition, adjustments to claims unpaid estimates and aggregate health claim reserves are reflected in the period once the change in estimate is identified and included in total hospital and medical expenses in the statutory basis statements of operations.

- **General Administrative Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. State income taxes are also a component of GAE. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE to be reported in the statutory basis statements of operations.

The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk during the calendar year, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).
- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 21% to net income before federal income taxes and net realized capital gains (losses) subject to certain adjustments (see Note 9).
- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

REINSURANCE

- **Reinsurance Ceded** — The Company has an insolvency-only reinsurance agreement with UnitedHealthcare Insurance Company ("UHIC"), an affiliate whereby 0.4% of net premium income is ceded to UHIC.

- **Section 1341 ACA Transitional Reinsurance** — The Company has established a receivable of \$0 and \$29,939 as of December 31, 2019 and 2018, respectively, pursuant to Section 1341 of the ACA which is included in amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations (see Note 24).

Ceded Reinsurance Premiums Payable — The ceded reinsurance premiums payable balance represents amounts due to the reinsurer for specified coverage which will be paid based on the contract terms.

OTHER

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

The Company has no commercial customers that individually exceed 10% of total direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, for the years ended December 31, 2019 and 2018.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, from members and CMS related to the Medicare Plans as a percentage of total direct premiums written and total uncollected premiums, including receivables for contracts subject to redetermination, are 87% and 93% as of December 31, 2019 and 85% and 82% as of December 31, 2018, respectively.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, from the State of Nebraska, DHHS as a percentage of total direct premiums written and total uncollected premiums, including receivables for contracts subject to redetermination, are 12% and 7% as of December 31, 2019 and 14% and 17% as of December 31, 2018, respectively.

Recently Issued Accounting Standards — The Company reviewed all recently issued guidance in 2019 and 2018 that have been adopted for 2019 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles or correction of errors have been recorded during the years ended December 31, 2019 and 2018.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2019 and 2018, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

A. Discontinued Operation Disposed of or Classified as Held for Sale

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2019 and 2018.

B. Change in Plan of Sale of Discontinued Operation — Not applicable.

C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.

D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$341,978 and \$95,081, respectively, for 2019 and \$2,754 and \$7,200, respectively, for 2018. There were no gross realized gains and losses on sales of short-term investments for 2019 and 2018. The net realized gain or loss is included in net realized capital gains (losses) less capital gains tax (benefit) in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$19,766,337 and \$1,972,611 and for short-term investments were \$3,391,824,526 and \$2,979,838,300 in 2019 and 2018, respectively.

As of December 31, 2019 and 2018, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash overdrafts and cash equivalents of \$21,894,222 and \$26,866,208, respectively, are as follows:

	2019				
	Book/Adjusted Carrying Value	Gross Unrecognized	Gross Unrecognized	Gross Unrecognized	Fair Value
		Unrealized Gains	Unrealized Losses < 1 Year	Unrealized Losses > 1 Year	
U.S. government and agency securities	\$ 132,364,679	\$ 3,332,145	\$ 14,554	\$ 17,151	\$ 135,665,119
State and agency municipal securities	60,457,399	3,138,165	-	-	63,595,564
City and county municipal securities	57,203,556	3,010,786	6,480	-	60,207,862
Corporate debt securities	<u>266,318,349</u>	<u>5,661,445</u>	<u>19,950</u>	<u>29,627</u>	<u>271,930,217</u>
Total bonds ans short-term investments	<u>\$ 516,343,983</u>	<u>\$ 15,142,541</u>	<u>\$ 40,984</u>	<u>\$ 46,778</u>	<u>\$ 531,398,762</u>

	2019				
	Book/Adjusted Carrying Value	Gross Unrecognized	Gross Unrecognized	Gross Unrecognized	Fair Value
		Unrealized Gains	Unrealized Losses < 1 Year	Unrealized Losses > 1 Year	
Less than one year	\$ 47,998,036	\$ 58,119	\$ 1,821	\$ 1,573	\$ 48,052,761
One to five years	160,266,850	2,723,031	11,979	4,360	162,973,542
Five to ten years	170,935,240	9,492,925	7,087	1,645	180,419,433
Over ten years	<u>137,143,857</u>	<u>2,868,466</u>	<u>20,097</u>	<u>39,200</u>	<u>139,953,026</u>
Total bonds and short-term investments	<u>\$ 516,343,983</u>	<u>\$ 15,142,541</u>	<u>\$ 40,984</u>	<u>\$ 46,778</u>	<u>\$ 531,398,762</u>

	2018				
	Book/Adjusted Carrying Value	Gross Unrecognized	Gross Unrecognized	Gross Unrecognized	Fair Value
		Unrealized Gains	Unrealized Losses < 1 Year	Unrealized Losses > 1 Year	
U.S. government and agency securities	\$ 114,061,330	\$ 434,557	\$ 298,990	\$ 1,119,519	\$ 113,077,378
State and agency municipal securities	46,471,545	537,526	22,354	300,348	46,686,369
City and county municipal securities	46,514,900	544,985	66,812	141,099	46,851,974
Corporate debt securities	<u>209,187,826</u>	<u>50,208</u>	<u>1,301,177</u>	<u>2,042,591</u>	<u>205,894,266</u>
Total bonds and short-term investments	<u>\$ 416,235,601</u>	<u>\$ 1,567,276</u>	<u>\$ 1,689,333</u>	<u>\$ 3,603,557</u>	<u>\$ 412,509,987</u>

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of \$100,782,902 and fair value of \$102,854,118.

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2019 and 2018:

	2019					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 3,714,530	\$ 14,554	\$ 5,272,990	\$ 17,151	\$ 8,987,520	\$ 31,705
City and county municipal securities	743,520	6,480	-	-	743,520	6,480
Corporate debt securities	13,439,344	19,950	11,640,812	29,627	25,080,156	49,577
Total bonds and short-term investments	\$ 17,897,394	\$ 40,984	\$ 16,913,802	\$ 46,778	\$ 34,811,196	\$ 87,762

	2018					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 23,804,751	\$ 298,990	\$ 53,523,427	\$ 1,119,519	\$ 77,328,178	\$ 1,418,509
State and agency municipal securities	5,177,899	22,354	18,763,707	300,348	23,941,606	322,702
City and county municipal securities	5,717,244	66,812	10,551,143	141,099	16,268,387	207,911
Corporate debt securities	82,212,532	1,301,177	104,488,123	2,042,591	186,700,655	3,343,768
Total bonds and short-term investments	\$ 116,912,426	\$ 1,689,333	\$ 187,326,400	\$ 3,603,557	\$ 304,238,826	\$ 5,292,890

The unrecognized unrealized losses on investments in corporate debt securities, U.S. government and agency securities, state and agency municipal securities, and city and county municipal securities at December 31, 2019 and 2018, were mainly caused by interest rate fluctuations and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, state and local agency and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded OTTIs of \$0 and \$633 as of December 31, 2019 and 2018, respectively, which are included in net realized capital gains (losses) less capital gains tax (benefit) in the statutory basis statements of operations.

A–C. The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

D. Loan-Backed Securities

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTIs on loan-backed securities as of December 31, 2019 and 2018.
- (3) The Company did not have any loan-backed securities with OTTIs to report by CUSIP as of December 31, 2019 or 2018.

- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2019 and 2018:

	2019
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 13,720
2. 12 months or longer	43,432
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	10,773,050
2. 12 months or longer	12,406,193
	2018
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 395,064
2. 12 months or longer	1,135,170
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	38,021,549
2. 12 months or longer	51,970,033

- (5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrecognized unrealized losses as of December 31, 2019 and 2018 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions — Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing — Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing — Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale — Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale — Not applicable.
- J. Real Estate — Not applicable.
- K. Low-Income Housing Tax Credits (“LIHTC”) — Not applicable.

L. Restricted Assets —

(1) Restricted assets, including pledged securities as of December 31, 2019 and 2018, are presented below:

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted From Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	3 Increase/ (Decrease) (1 Minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	0 %	0 %
j. On deposit with states	1,108,448	1,117,106	(8,658)	-	1,108,448	0 %	0 %
k. On deposit with other regulatory bodies	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	0 %	0 %
o. Total restricted assets	<u>\$ 1,108,448</u>	<u>\$ 1,117,106</u>	<u>\$ (8,658)</u>	<u>\$ -</u>	<u>\$ 1,108,448</u>	<u>0 %</u>	<u>0 %</u>

(a) Column 1 divided by Asset Page, Column 1, Line 28
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2019 or 2018.

M. Working Capital Finance Investments — Not applicable.

N. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

O. 5GI Securities

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2019 and 2018.

P. Short Sales — Not applicable.

Q. Prepayment Penalty and Acceleration Fees —

The following table illustrates prepayment penalty and acceleration fees as of December 31, 2019:

	General Account
1. Number of CUSIPs	3
2. Aggregate Amount of Investment Income	\$ 546

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

- A. The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–B. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2019 and 2018, are as follows:

	2019			2018			Change		
	1 Ordinary	2 Capital	3 Col 1+2 Total	4 Ordinary	5 Capital	6 Col 4+5 Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 Col 7+8 Total
(a) Gross deferred tax assets	\$ 3,808,423	\$ 20,225	\$ 3,828,648	\$ 3,070,981	\$ 12,081	\$3,083,062	\$ 737,442	\$ 8,144	\$ 745,586
(b) Statutory valuation allowance adjustments	-	5,093	5,093	-	12,080	12,080	-	(6,987)	(6,987)
(c) Adjusted gross deferred tax assets (1a - 1b)	3,808,423	15,132	3,823,555	3,070,981	1	3,070,982	737,442	15,131	752,573
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	3,808,423	15,132	3,823,555	3,070,981	1	3,070,982	737,442	15,131	752,573
(f) Deferred tax liabilities	395,753	28,176	423,929	519,699	15,276	534,975	(123,946)	12,900	(111,046)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 3,412,670	\$ (13,044)	\$ 3,399,626	\$ 2,551,282	\$ (15,275)	\$2,536,007	\$ 861,388	\$ 2,231	\$ 863,619

(2) The components of the adjusted gross deferred tax assets admissibility calculation under Statement of Statutory Accounting Principles (“SSAP”) No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

Admission Calculation Components SSAP No. 101	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$3,808,425	\$ -	\$ 3,808,425	\$ 3,070,981	\$ 1	\$ 3,070,982	\$ 737,444	\$ (1)	\$ 737,443
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	53,242,976	XXX	XXX	45,027,054	XXX	XXX	8,215,922
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	15,132	15,132	-	-	-	-	15,132	15,132
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total 2(a) + 2(b) + 2(c)	\$3,808,425	\$ 15,132	\$ 3,823,557	\$ 3,070,981	\$ 1	\$ 3,070,982	\$ 737,444	\$ 15,131	\$ 752,575

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2019	2018
(a) Ratio percentage used to determine recovery period and threshold limitation amount	309 %	335 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 354,953,175	\$ 300,180,360

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2019 and 2018, is presented below:

Impact of Tax-Planning Strategies	2019		2018		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 3,808,423	\$ 15,132	\$ 3,070,981	\$ 1	\$ 737,442	\$ 15,131
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 3,808,423	\$ 15,132	\$ 3,070,981	\$ 1	\$ 737,442	\$ 15,131
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2019 and 2018.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2019 and 2018 are as follows:

	1	2	3
	2019	2018	(Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 44,299,256	\$ 46,134,303	\$ (1,835,047)
(b) Foreign	-	-	-
(c) Subtotal	44,299,256	46,134,303	(1,835,047)
(d) Federal income tax on net capital losses	61,777	7,215	54,562
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	\$ 44,361,033	\$ 46,141,518	\$ (1,780,485)

(2-4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2019 and 2018, are as follows:

	1	2	3
	2019	2018	(Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 1,356,850	\$ 1,156,979	\$ 199,871
(2) Unearned premium reserve	42,983	51,727	(8,744)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	2,408,287	1,849,626	558,661
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	303	12,649	(12,346)
(99) Subtotal	3,808,423	3,070,981	737,442
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	3,808,423	3,070,981	737,442
(e) Capital:			
(1) Investments	20,225	11,937	8,288
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	144	(144)
(99) Subtotal	20,225	12,081	8,144
(f) Statutory valuation allowance adjustment	5,093	12,080	(6,987)
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	15,132	1	15,131
(i) Admitted deferred tax assets (2d + 2h)	3,823,555	3,070,982	752,573
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	33,777	34,194	(417)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	361,976	485,505	(123,529)
(99) Subtotal	395,753	519,699	(123,946)
(b) Capital:			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	28,176	15,276	12,900
(99) Subtotal	28,176	15,276	12,900
(c) Deferred tax liabilities (3a99 + 3b99)	423,929	534,975	(111,046)
4 Net deferred tax assets/liabilities (2i - 3c)	\$ 3,399,626	\$ 2,536,007	\$ 863,619

The other ordinary deferred tax liability of \$361,976 for 2019 consists of discounting of unpaid losses. The other ordinary deferred tax liability of \$485,505 for 2018 consists of discounting of unpaid losses of \$481,305 and premium acquisition expense of \$4,200. The other capital deferred tax liability of \$28,176 for 2019 consists of unrealized gain/loss. The other capital deferred tax liability of \$15,276 for 2018 consists of unrealized gain/loss.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$5,093 and \$12,080 to reduce the gross deferred tax asset to \$3,823,555 and \$3,070,982 as of December 31, 2019 and 2018, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% to net income before federal income taxes incurred, plus capital gains tax/less capital gains tax (benefit). A summarization of the significant items causing this difference as of December 31, 2019 and 2018 is as follows:

	2019		2018	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	\$ 44,464,255	21.0%	\$ 35,783,739	21.0%
Tax-exempt interest	(413,711)	(0.2)	(321,039)	(0.2)
Health insurer fee	-	-	10,727,242	6.3
Other current year items	-	-	-	-
Tax effect of nonadmitted assets	(559,187)	(0.3)	35,628	-
Change in statutory valuation allowance	(6,987)	-	12,080	-
Change in tax law	-	-	271	-
Total statutory income taxes	\$ 43,484,370	20.5%	\$ 46,237,921	27.1%
Federal income taxes incurred	\$ 44,299,256	20.9%	\$ 46,134,303	27.1%
Capital gains tax	61,777	-	7,215	-
Change in net deferred income tax	(876,663)	0.4	96,403	-
Total statutory income taxes	\$ 43,484,370	20.5%	\$ 46,237,921	27.1%

E. December 31, 2019, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of \$8,827,967 and \$6,224,162 as of December 31, 2019 and 2018, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were \$46,964,838 and \$59,395,696 in 2019 and 2018, respectively.

Federal income taxes incurred of \$44,361,033 and \$46,140,838 for 2019 and 2018, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in the NAIC Statutory Statement Schedule Y - Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017, 2018, and 2019 tax returns are under review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to the 2013 tax year. In general, the Company is subject to examination in non-U.S. jurisdictions for years 2014 and forward. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

G. Tax Contingencies — Not applicable.

H. Repatriation Transition Tax — Not applicable

I. Alternative Minimum Tax Credit — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–O. Material Related Party Transactions

Management believes that the Company's transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

In the ordinary course of business, the Company contracts with several affiliates to provide a wide variety of services to the Company's members. These agreements are filed with and approved by the Department according to Management's understanding of the current

requirements and standards. Within the confines of the applicable filed and approved agreements (including subsequent amendments thereto), the amount and types of services provided by these affiliated entities can change year over year.

The administrative services, access fees, and cost of care services provided by affiliates are calculated using one or more of the following methods: (1) a percentage of premiums; (2) use of assets; (3) direct pass-through of charges; (4) per member per month; (5) per employee per month; (6) per claim; or (7) a combination thereof consistent with the provisions contained in each contract. These amounts are included in GAE and CAE in the statutory basis statements of operations. The following table identifies the amounts for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2019 and 2018, which meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties*, regardless of the effective date of the contract:

	2019	2018
United HealthCare Services, Inc.	\$ 325,875,353	\$ 278,884,907
OptumRx, Inc.	219,137,015	169,918,985
United Behavioral Health	80,488,012	74,269,682
Indiana Care Organization, LLC	37,807,551	-
LifePrint Health, Inc.	21,246,337	20,144,524
OptumInsight, Inc.	8,871,327	11,763,741
AxelaCare Intermediate Holdings, LLC	7,355,495	4,633,077

UHS provides, or arranges for the provision of, management, administrative, and other services deemed necessary or appropriate for UHS to provide management and operational support to the Company. The services can include, but are not limited to, the categories of management and operational services outlined in the Agreement, such as human resources, legal, facilities, general administration, treasury and investment functions, claims adjudication and payment, benefit administration, disease management, health care decision support, provider networks, quality oversight and wellness management. The amount charged to the Company for the management and operational services provided by UHS are calculated pursuant to the Agreement.

OptumRx provides services that may include, but are not limited to, administrative services related to pharmacy management and pharmacy claims processing for enrollees, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

United Behavioral Health, Inc. provides services related to mental health and substance abuse treatment.

Indiana Care Organization, LLC provides medical services to the Company's members.

LifePrint Health, Inc. provides services that may include, but are not limited to, care management services to eligible members and/or arranging for the delivery of clinical services to the Company's enrollees.

OptumInsight, Inc. provides services that may include, but are not limited to, claim analytics and recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis.

AxelaCare Intermediate Holdings, LLC provides home infusion therapy services.

The Company has premium payments that are received and claim payments and direct expenses such as such as broker commissions, Department fees, ACA assessments and premium taxes that are processed and paid by an affiliated UnitedHealth Group entity. Premiums, claims, and direct expenses applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts

outstanding are reflected in payable amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company holds a \$100,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective December 31, 2019. No amounts were outstanding under the line of credit as of December 31, 2019 and 2018. There is no interest paid or accrued on borrowings throughout the year as of December 31, 2019 and 2018.

In addition to the agreements above, UHS maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2019 and 2018, the Company's portion was \$16,760,043 and \$3,559,863, respectively, and is included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$110,000,000 and \$15,000,000 in 2019 and 2018, respectively, to its parent (see Note 13).

At December 31, 2019 and 2018, the Company reported \$13,312,576 and \$2,768,942, respectively, as amounts due to parent, subsidiaries, and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company does not have any investments in noninsurance subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2019 and 2018.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A–I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 100,000 shares authorized and 100,000 shares issued and outstanding of \$1 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, UHC.

- (3) Payment of dividends may be restricted by the Department and Nebraska law, which generally requires that dividends be paid out of unassigned surplus.
- (4) On April 30, 2019 the Company declared an ordinary cash dividend of \$30,000,000 to the sole shareholder, UHC. The dividend was paid on June 4, 2019. On August 16, 2019, the Company declared an ordinary cash dividend of \$40,000,000 to the sole shareholder, UHC. The dividend was paid on September 11, 2019. On December 4, 2019, the Company declared an ordinary cash dividend of \$40,000,000 to the sole shareholder, UHC. The dividend was paid on December 18, 2019. The ordinary dividends complied with the provisions set forth in the statutes of Nebraska and required no approval. The dividends were recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- The Company paid an ordinary cash dividend of \$15,000,000 on June 27, 2018, to UHC, which required no approval and was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- (5) The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.
- (6) There are no restrictions placed on the Company's unassigned surplus.
- (7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.
- (8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.
- (9) For the year ended December 31, 2019, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$67,946,508. As discussed in Note 1, in 2018 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.
- (10) The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented (or reduced) by each item below is as follows:

	2019	2018	Change
Unrealized capital gains (losses) on investments			
less capital gains tax	\$ 134,170	\$ 72,057	\$ 62,113
Net deferred income taxes	3,399,626	2,536,007	863,619
Nonadmitted assets	<u>(11,470,632)</u>	<u>(8,807,837)</u>	<u>(2,662,795)</u>
Total	<u>\$ (7,936,836)</u>	<u>\$ (6,199,773)</u>	<u>\$ (1,737,063)</u>

- (11–13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any guaranty fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingencies

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the DOJ moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. In March 2019, the court denied the government's motion for partial summary judgment and dismissed the Company's counterclaims without prejudice. The Company cannot reasonably estimate the outcome that may result from this matter given its procedural status.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters involve: indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2019 and 2018.

15. LEASES

A–B. According to the Agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2019 and 2018.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a receivable in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of \$16,525,248 and \$13,138,878 at December 31, 2019 and 2018, respectively, for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*. The Company also recorded a receivable of \$14,527,407 and \$8,630,704 and also a payable of \$14,372,004 and \$11,741,808 at December 31, 2019 and 2018, respectively, for the Medicare Part D CGDP as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*.

The State of Nebraska, DHHS, and the Company have a contract for the purposes of increasing reimbursement for Medicaid eligible services to the Company, which in turn is required to be passed through to the UNMC. The program was approved by the CMS pursuant to Nebraska Medicaid Reform to develop a physician upper limit program that provides higher reimbursement to designated physician groups. The Company will pass-through 100% of the UNMC supplemental capitation payment received from the State of Nebraska, DHHS. The Company assumes no risk and does not recognize any premium revenue or medical benefit expenses. The Company has recorded a liability of \$2,736,709 and \$2,831,072 to UNMC reported in liability for amounts held under uninsured plans as of December 31, 2019 and December 31, 2018, respectively.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2019 and 2018.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1—Quoted (unadjusted) prices for identical assets in active markets.

Level 2—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3—Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds, cash equivalents, and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service ("pricing service"), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1) The following table present information about the Company's financial assets that are measured and reported at fair value at December 31, 2019 and 2018, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	December 31, 2019				Total
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stock	-	-	-	-	-
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Money-market funds	22,144,456	-	-	-	22,144,456
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	\$ 22,144,456	\$ -	\$ -	\$ -	\$ 22,144,456
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

Description for Each Class of Asset or Liability	December 31, 2018				Total
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stock	-	-	-	-	-
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Money-market funds	27,228,912	-	-	-	27,228,912
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	\$ 27,228,912	\$ -	\$ -	\$ -	\$ 27,228,912
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

- (2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.
- (3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2, or 3 of any financial assets or liabilities during the years ended December 31, 2019 or 2018.
- (4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 and therefore has no valuation technique to disclose.
- (5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2019 and 2018 is presented in the table below:

Type of Financial Instrument	December 31, 2019						Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
U.S. government and agency securities	\$ 135,665,119	\$ 132,364,679	\$ 51,693,317	\$ 83,971,802	\$ -	\$ -	\$ -
State and agency municipal securities	63,595,564	60,457,399	-	63,595,564	-	-	-
City and county municipal securities	60,207,862	57,203,556	-	60,207,862	-	-	-
Corporate debt securities	271,930,217	266,318,349	16,760,043	255,170,174	-	-	-
Cash equivalents	22,144,456	22,144,456	22,144,456	-	-	-	-
Total bonds, short-term investments and cash equivalents	\$ 553,543,218	\$ 538,488,439	\$ 90,597,816	\$ 462,945,402	\$ -	\$ -	\$ -

Type of Financial Instrument	December 31, 2018						Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
U.S. government and agency securities	\$ 113,077,378	\$ 114,061,330	\$ 60,484,953	\$ 52,592,425	\$ -	\$ -	\$ -
State and agency municipal securities	46,686,369	46,471,545	-	46,686,369	-	-	-
City and county municipal securities	46,851,974	46,514,900	-	46,851,974	-	-	-
Corporate debt securities	205,894,266	209,187,826	3,559,863	202,334,403	-	-	-
Cash equivalents	27,228,912	27,228,912	27,228,912	-	-	-	-
Total bonds, short-term investments and cash equivalents	\$ 439,738,899	\$ 443,464,513	\$ 91,273,728	\$ 348,465,171	\$ -	\$ -	\$ -

D. Not Practicable to Estimate Fair Value — Not applicable.

E. Investments Measured Using the NAV Practical Expedient — Not applicable.

21. OTHER ITEMS

The Company is now including money-market funds in the 2019 Note 20A (1) Fair Value Measurements at Reporting Date table. The Company has elected to present similar activity and include the 2018 Note 20A (1) Fair Value Measurements at Reporting Date table for comparability. Similarly, the Company is now including cash equivalents (which includes money-market funds) in the 2019 Note 20C Aggregate Fair Value Hierarchy table. The Company has elected to present similar activity in the 2018 Note 20C Aggregate Fair Value Hierarchy table for comparability.

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2019 and 2018.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2019 and 2018.

C. Other Disclosures

The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2019 and 2018.

E. State Transferable and Non-transferable Tax Credits

The Company has no transferable or non-transferable state tax credits.

F. Sub-Prime Mortgage-Related Risk Exposure

(1-4) The Company does not have any sub-prime mortgage-related risk exposure as of December 31, 2019 and 2018.

G. Retained Assets

The Company does not have any retained asset accounts for beneficiaries.

H. Insurance-Linked Securities Contracts

As of December 31, 2019, the Company is not aware of any possible proceeds of insurance-linked securities.

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is the Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy – Not applicable.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 28, 2020, which is the date these statutory basis financial statements were available for issuance.

TYPE I — Recognized Subsequent Events

Any material Type I events subsequent to December 31, 2019, have been recognized in the statutory basis financial statements and corresponding disclosures.

TYPE II — Non-Recognized Subsequent Events

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. The HIF was repealed by Congress, effective January 1, 2021.

As of December 31, 2019, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2020, and estimates its portion of the annual health insurance industry fee payable on September 30, 2020 to be \$67,946,508. This amount has been apportioned out of unassigned surplus and is reflected as Section 9010 ACA subsequent fee year assessment in the statutory basis financial statements. In accordance with the 2019 HIF moratorium, no amounts were required to be apportioned out of unassigned surplus in 2018 (see Note 1). The Company's Authorized Control Level RBC ("ACL RBC") ratio was 311.7% as of December 31, 2019. Reporting the ACA assessment as a liability as of December 31, 2019, would not have triggered an RBC action level.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2019 and 2018:

	2019	2018
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B. ACA fee assessment payable for the upcoming year	\$ 67,946,508	\$ -
C. ACA fee assessment paid	-	51,082,105
D. Premium written subject to ACA 9010 assessment	3,561,994,025	-
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	358,352,801	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	290,406,293	
G. Authorized Control Level (Five-Year Historical Line 15)	114,979,912	
H. Would reporting the ACA assessment as of December 31, 2019, have triggered an RBC action level (YES/NO)?	NO	

There are no other material non-recognized Type II events that require disclosure.

23. REINSURANCE

Reinsurance Agreements—In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company has an insolvency-only reinsurance agreement with UHIC, an affiliate of the Company, to provide insolvency protection for its enrollees. Reinsurance premiums, which are calculated on a percentage of member premium income, of \$14,332,540 and \$12,433,780 in 2019 and 2018, respectively, are netted against net premium income in the statutory basis statements of operations.

Pursuant to Section 1341 of the ACA, through 2017, the Company was subject to the reinsurance provisions for compliant individual policies (see Note 24).

The effect of the internal and external reinsurance agreements outlined above on net premium income, hospital and medical expenses:

	2019	2018
Premiums:		
Direct	\$ 3,557,020,671	\$ 3,113,747,087
Ceded:		
Affiliate	<u>14,332,540</u>	<u>12,433,780</u>
Net premium income	<u>\$ 3,542,688,131</u>	<u>\$ 3,101,313,307</u>
Hospital and medical expenses:		
Direct	\$ 2,960,686,343	\$ 2,529,188,987
Ceded:		
Affiliate	<u>23,622</u>	<u>-</u>
Net hospital and medical expenses	<u>\$ 2,960,662,721</u>	<u>\$ 2,529,188,987</u>

The Company recognized reinsurance recoveries related to internal and external reinsurance agreements of \$23,622 and \$0 in 2019 and 2018, respectively, which are recorded as net reinsurance recoveries in the statutory basis statements of operations. In addition, reinsurance recoverables related to internal and external reinsurance agreements of \$0 and \$29,939 for paid losses are recorded as amounts recoverable from reinsurers in 2019 and 2018, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 — Ceded Reinsurance Report — Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 — Ceded Reinsurance Report — Part B

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2019.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

- B. Uncollectible Reinsurance** — During 2019 and 2018, there were no uncollectible reinsurance recoverables.
- C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2019 or 2018.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A.** The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due to (from) the Company are recorded in premiums and considerations and aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment reserve for rate credits in the statutory basis statements of operations.
- C.** Pursuant to the ACA, the Company's commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial lines of business subject to the retrospectively rated features was \$8,159,450 and \$6,852,291, representing 0.2% and 0.2% of total direct premiums written as of December 31, 2019 and 2018, respectively.

Pursuant to the ACA, the Company's Medicare business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the Medicare line of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the Medicare line of business subject to the retrospectively rated features was \$3,097,772,531 and \$2,662,037,120, representing 87.1% and 85.5% of total direct premiums written as of December 31, 2019 and 2018, respectively.

The Company has Medicare Part D risk-corridor amounts from CMS which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was \$129,569,690 and \$116,472,858 representing, 3.6% and 3.7% of total direct premiums written for 2019 and 2018, respectively.

The Company has risk-adjustment amounts from CMS which are subject to a redetermination feature related to Medicare premiums. The Company has estimated premium adjustments for changes to each member's health scores based on guidelines determined by CMS. The total amount of Medicare direct premiums written for which a portion is subject to the redetermination feature was \$3,097,772,531 and \$2,662,037,120 representing, 87.1% and 85.5% of total direct premiums written for 2019 and 2018, respectively.

Effective January 1, 2019, the Company's Nebraska Medicaid line of business is subject to retrospectively rated features based on the actual high cost drug experience for the Company and all other Nebraska MCOs. The program was designed to eliminate any disproportionate share of high cost drug experience for any of the MCOs. The total amount of direct premiums written from the Medicaid contract for which a portion is subject to the retrospectively rated feature was \$434,100,806, which represents 12.2% of total direct written premiums as of December 31, 2019.

The Medicaid contract with the State of Nebraska includes a provision for which a stated percentage of total direct premiums written can be eligible for a performance guarantee payment based on various quality measures. The total amount of direct premiums written from the Medicaid contract for which a portion is subject to the redetermination feature was \$434,100,806, which represents 12.2% of total direct written premiums as of December 31, 2019. At December 31, 2018, the portion of direct written premiums from the Medicaid contract subject to the redetermination feature was \$7,382,922, representing 0.2% of total direct premiums written as of December 31, 2018.

CMS has released the final Medicaid Managed Care Rule which is subject to each State’s administration elections. This rule is the first major update to the Medicaid Managed Care regulations in more than a decade. Many items including a minimum loss ratio requirement were implemented for contracts with an effective date starting on or after July 1, 2017 while other elements of the regulation will be implemented over the following decade. Pursuant to the regulations, for contracts effective on or after July 1, 2017 premium associated with the Company’s Medicaid line of business is subject to retrospectively rated features based on the actual medical loss ratios experienced on this product. The calculation is pursuant to the Medicaid Managed Care guidance. The total amount of direct premiums written for the Medicaid line of business for which a portion is subject to the retrospectively rated features was \$434,100,806 and \$430,534,560, representing 12.2% and 13.8% of total direct premiums written as of December 31, 2019 and December 31, 2018, respectively.

- D. The Company is required to maintain specific minimum loss ratios on the comprehensive commercial and Medicare lines of business.

The following table discloses the minimum medical loss ratio rebate liability for the comprehensive commercial and Medicare lines of business which is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2019 and 2018:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ 490,571	\$ 490,571
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss rebates unpaid	-	-	-	30,929,385	30,929,385
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	30,929,385
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	97,556	-	97,556
(8) Medical loss ratio rebates paid	-	-	-	30,929,385	30,929,385
(9) Medical loss rebates unpaid	-	-	97,556	-	97,556
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	97,556

Pursuant to the Medicaid Managed Care Rule and/or state contractual minimum loss ratio requirements, the Company is required to maintain specific minimum loss ratios on its Heritage Health Plan and Heritage Health populations. The Company has estimated \$0 and \$1,362,112 in estimated Medicaid Managed Care Rule and/or state minimum loss ratio rebates on its Heritage Health population as of December 31, 2019 and December 31, 2018, respectively.

E. Risk-Sharing Provisions of the Affordable Care Act

- (1) The Company has accident and health insurance premiums in 2019 and 2018 subject to the risk- sharing provisions of the ACA.

The ACA imposed fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance. The three premium stabilization programs are commonly referred to as the 3Rs — risk adjustment, reinsurance, and risk corridors.

Risk Adjustment — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. The operation of the high-cost risk pools exclude a percentage of costs above a threshold level determined by federal regulations. The program operates two national high-cost risk pools, one for individuals and one for small groups. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Reinsurance — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program was effective from 2014 through 2016 and applied to all issuers of major medical commercial products and third-party administrators. Contributions attributable to enrollees in the ACA compliant individual plans, including program administrative costs, were accounted for as ceded premium and payments received were accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury was accounted for as an assessment. Contributions made for enrollees in fully insured plans other than the ACA compliant individual plans, including program administrative costs and payments to the U.S. Treasury, were treated as assessments.

Risk Corridors — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applied to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk corridors program were accounted for as premium adjustments for retrospectively rated contracts.

- (2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations:

a. Permanent ACA Risk Adjustment Program		December 31, 2019
<u>Assets</u>		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$	144,447
<u>Liabilities</u>		
2. Risk adjustment user fees payable for ACA Risk Adjustment		1,090
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)		134,962
<u>Operations (Revenue & Expense)</u>		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		115,251
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)		1,094
b. Transitional ACA Reinsurance Program		
<u>Assets</u>		
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$	-
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)		-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		-
<u>Liabilities</u>		
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		-
5. Ceded reinsurance premiums payable due to ACA Reinsurance		-
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance		-
<u>Operations (Revenue & Expense)</u>		
7. Ceded reinsurance premiums due to ACA Reinsurance		-
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments		23,622
9. ACA Reinsurance contributions - not reported as ceded premium		-
c. Temporary ACA Risk Corridors Program		
<u>Assets</u>		
1. Accrued retrospective premium due to ACA Risk Corridors	\$	-
<u>Liabilities</u>		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		-
<u>Operations (Revenue & Expense)</u>		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		-
4. Effect of ACA Risk Corridors on change in reserves for rate credits		-

3) The following table is a rollforward of the prior year ACA risk-sharing provisions for asset and liability balances, along with reasons for adjustments to prior year balances:

	Accrued During the Prior Year on Business Written before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium Adjustment Receivable (including high risk pool payments)	\$ 7,327	\$ -	\$ 123,364	\$ -	\$(116,037)	\$ -	\$ 116,037	\$ -	A	\$ -	\$ -
2. Premium Adjustment (Payable) (including high risk pool premium)	-	(2,332)	-	(12,603)	-	10,271	-	(135,870)	B	-	(125,599)
3. Subtotal ACA Permanent Risk Adjustment Program	7,327	(2,332)	123,364	(12,603)	(116,037)	10,271	116,037	(135,870)		-	(125,599)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	29,939	-	53,561	-	(23,622)	-	23,622	-	C	-	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium	-	-	-	-	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	29,939	-	53,561	-	(23,622)	-	23,622	-		-	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-		-	-
d. Total for ACA Risk-Sharing Provisions	\$ 37,266	\$ (2,332)	\$ 176,925	\$ (12,603)	\$(139,659)	\$ 10,271	\$ 139,659	\$ (135,870)		\$ -	\$ (125,599)
Explanation of Adjustments											
A. The risk adjustment receivable as of December 31, 2019 was adjusted based on the final CMS Summary Report on Permanent Risk Adjustment Transfers for the 2018 Benefit Year. The risk adjustment receivable as of December 31, 2018 utilized paid claims through October 31, 2018. The adjustment to the December receivable balance reflects the true up to final results for the 2018 Benefit Year. The risk adjustment receivable was further adjusted based on the CMS Summary Report of 2017 Benefit Year Risk Adjustment Data Validation Adjustments to Risk Adjustment Transfers.											
B. The risk adjustment payable as of December 31, 2019 was adjusted based on the final CMS Summary Report on Permanent Risk Adjustment Transfers for the 2018 Benefit Year. The risk adjustment payable as of December 31, 2018 utilized paid claims through October 31, 2018. The adjustment to the December payable balance reflects the true up to final results for the 2018 Benefit Year. The risk adjustment payable as of December 31, 2019 was further adjusted based on the CMS Summary Report of 2017 Benefit Year Risk Adjustment Data Validation Adjustments to Risk Adjustment Transfers.											
C. Actual reinsurance receipts exceeded anticipated results due to a higher final coinsurance rate.											
D. N/A											
E. N/A											
F. N/A											
G. N/A											
H. N/A											
I. N/A											
J. N/A											

4) The Company does not have any risk corridor receivables or payables to present in the table below.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1–3)	Prior Year Accrued Less Payments (Col 2–4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1–3+7)	Cumulative Balance from Prior Years (Col 2–4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
Risk Corridors Program Year:											
a. 2014											
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	A	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-	-
b. 2015											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	C	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	D	-	-
c. 2016											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	E	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F	-	-
d. Total for Risk Corridors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Explanation of Adjustments											
A.											
B.											
C.											
D.											
E.											
F.											

5) The following table discloses ACA risk corridor receivable balances by risk corridor program year:

	1	2	3	4	5	6
	Estimated Amount to be Filed or Final	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4-5)
Risk Corridors Program Year:	Amount Filed with CMS					
a. 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. 2015	-	-	-	-	-	-
c. 2016	7,758,293	7,758,293	-	-	-	-
d. Total (a+b+c)	\$ 7,758,293	\$ 7,758,293	\$ -	\$ -	\$ -	\$ -

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

- A.** Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care and other amounts receivable (excluding provider loans and advances not yet expensed) and reinsurance recoverables for the years ended December 31, 2019 and 2018:

	2019		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (356,091,314)	\$ (356,091,314)
Paid claims—net of health care receivables* and reinsurance recoveries collected	2,675,688,325	229,427,727	2,905,116,052
End of year claim reserve	<u>401,117,242</u>	<u>20,488,933</u>	<u>421,606,175</u>
Incurred claims excluding the change in health care receivables	3,076,805,567	(106,174,654)	2,970,630,913
Beginning of year health care receivables* and reinsurance recoverables	-	95,068,560	95,068,560
End of year health care receivables* and reinsurance recoverables	<u>(99,121,720)</u>	<u>(5,915,032)</u>	<u>(105,036,752)</u>
Total incurred claims	<u>\$ 2,977,683,847</u>	<u>\$ (17,021,126)</u>	<u>\$ 2,960,662,721</u>

*Health care receivables excludes provider loans and advances not yet expensed of \$682,478 and \$405,427 for 2019 and 2018, respectively.

	2018		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (319,041,133)	\$ (319,041,133)
Paid claims—net of health care receivables* and reinsurance recoveries collected	2,286,124,624	230,258,532	2,516,383,156
End of year claim reserve	<u>343,368,831</u>	<u>12,722,483</u>	<u>356,091,314</u>
Incurred claims excluding the change in health care receivables	2,629,493,455	(76,060,118)	2,553,433,337
Beginning of year health care receivables* and reinsurance recoverables	-	70,824,210	70,824,210
End of year health care receivables* and reinsurance recoverables	<u>(88,579,696)</u>	<u>(6,488,864)</u>	<u>(95,068,560)</u>
Total incurred claims	<u>\$ 2,540,913,759</u>	<u>\$ (11,724,772)</u>	<u>\$ 2,529,188,987</u>

*Health care receivables excludes provider loans and advances not yet expensed of \$405,427 and \$305,400 for 2018 and 2017, respectively.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care receivable (excluding provider loans and advances not yet expensed), and reinsurance recoverables as of December 31, 2018 was \$261,022,754. As of December 31, 2019, \$229,427,727 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care and other amounts receivable (excluding provider loans and advances not yet expensed) and reinsurance recoverables are now \$14,573,901, as a result of re-estimation of unpaid claims. Therefore, there has been \$17,021,126 favorable prior year development since December 31, 2018 to December 31, 2019. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of \$13,599,758 and favorable development of \$5,821,080 in risk share accruals in provider risk share reserve accounts, offset by unfavorable development of \$1,408,038 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2018, the Company recorded \$11,724,772 of favorable development related to favorable development as a result of a change in the provision for adverse deviations in experience of \$15,379,844 and favorable development of \$6,802,560 in risk share accruals in provider in provider risk share reserve accounts, offset by unfavorable development of \$7,279,180 in retroactivity for inpatient, outpatient, physician, and pharmacy claims, unfavorable development of \$1,073,662 related to provider settlements, and unfavorable development of \$960,452 related to Rx Rebates. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, which could have an impact to the accruals for medical loss ratio rebates and retrospectively rated contracts. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of \$139,329,523 and \$127,630,647 in 2019 and 2018, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of the Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2019 and 2018:

	2019	2018
Total claims adjustment expenses	\$ 139,329,523	\$ 127,630,647
Less: current year unpaid claims adjustment expenses	(3,053,153)	(2,595,150)
Add: prior year unpaid claims adjustment expenses	<u>2,595,150</u>	<u>2,785,526</u>
Total claims adjustment expenses paid	<u>\$ 138,871,520</u>	<u>\$ 127,821,023</u>

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2019.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2019 or 2018.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2019 or 2018.

28. HEALTH CARE OTHER AMOUNTS RECEIVABLE

A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* (“SSAP No. 84”) from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
12/31/2019	\$ 58,316,082	\$ -	\$ -	\$ -	\$ -
9/30/2019	60,323,127	60,423,793	36,473,018	-	-
6/30/2019	60,097,153	60,500,925	44,878,460	14,138,630	-
3/31/2019	58,612,323	60,009,502	49,810,988	5,861,102	2,507,233
12/31/2018	53,109,848	53,132,747	44,584,859	7,913,636	69,528
9/30/2018	51,922,313	51,902,446	42,835,095	7,186,486	912,154
6/30/2018	50,398,447	50,496,442	42,396,814	6,376,121	1,111,266
3/31/2018	47,888,062	48,033,593	41,916,928	4,971,639	895,077
12/31/2017	39,390,250	39,182,729	32,721,221	5,773,020	990,545
9/30/2017	38,819,964	38,167,402	31,669,673	4,138,567	2,644,853
6/30/2017	37,363,600	37,238,684	29,161,372	6,667,577	1,691,007
3/31/2017	34,426,379	34,100,887	17,816,612	11,020,653	5,544,777

Of the amount reported as health care and other amounts receivable, \$82,604,734 and \$78,742,314 relates to pharmacy rebates receivable as of December 31, 2019 and 2018, respectively. This increase is primarily due to increased membership along with the change in generic/name brand mix.

B. The Company has nonadmitted all risk-sharing receivables that do not meet the admissibility criteria of SSAP No. 84 from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company also admitted \$10,878,276 and \$8,386,629 for claims overpayment receivables \$682,478 and \$405,427 related to provider advance receivables, and \$864,083 and \$6,663 for capitation arrangement receivables as of December 31, 2019 and 2018, respectively, which are included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2019 or 2018.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any PDR as of December 31, 2019 or 2018. The analysis of PDR was completed as of December 31, 2019 and 2018. The Company did consider anticipated investment income when calculating the PDR.

The following table summarizes the Company's PDR as of December 31, 2019 and 2018:

2019	
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	12/31/2019
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
2018	
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	12/31/2018
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2019 and 2018, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Nebraska

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☒ No ☐

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

0000731766

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2018

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2014

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/13/2016

3.4

By what department or departments?
Nebraska Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes ☐ No ☒
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes ☐ No ☒

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,
7.21 State the percentage of foreign control;
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

0.0 %

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [X] No []
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc.	Salt Lake City, UT	NO	NO	YES	NO

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche LLP, Minneapolis, MN
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Gary A. Iannone, Vice President of Actuarial Services of United HealthCare Services, Inc., an affiliate of UnitedHealthcare of the Midlands, Inc., 185 Asylum Street, Hartford, CT 06103
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$ 0
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A []
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- a.

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b.

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c.

Compliance with applicable governmental laws, rules and regulations;
- d.

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e.

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- | | | | |
|--|--------------------------------------|--|-------------|
| 1
American Bankers Association (ABA) Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger the Letter of Credit | 4
Amount |
| | | | |

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?	Yes [X]	No []
17.	Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?	Yes [X]	No []
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?	Yes [X]	No []

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?		Yes []	No [X]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	20.11 To directors or other officers.....	\$	0
		20.12 To stockholders not officers.....	\$	0
		20.13 Trustees, supreme or grand (Fraternal Only)	\$	0
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):	20.21 To directors or other officers.....	\$	0
		20.22 To stockholders not officers.....	\$	0
		20.23 Trustees, supreme or grand (Fraternal Only)	\$	0
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?		Yes []	No [X]
21.2	If yes, state the amount thereof at December 31 of the current year:			
		21.21 Rented from others.....	\$	0
		21.22 Borrowed from others.....	\$	0
		21.23 Leased from others	\$	0
		21.24 Other	\$	0
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?		Yes [X]	No []
22.2	If answer is yes:	22.21 Amount paid as losses or risk adjustment \$		0
		22.22 Amount paid as expenses	\$	1,052
		22.23 Other amounts paid	\$	0
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?		Yes []	No [X]
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:		\$	0

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03).....	Yes	[X]	No	[]
24.02	If no, give full and complete information relating thereto				
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) Not applicable.				
24.04	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes	[]	No	[]
				N/A	[X]
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$			0
24.06	If answer to 24.04 is no, report amount of collateral for other programs.	\$			0
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes	[]	No	[]
				N/A	[X]
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes	[]	No	[]
				N/A	[X]
24.09	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?	Yes	[]	No	[]
				N/A	[X]

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [X] No []

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21	Subject to repurchase agreements	\$	0
		25.22	Subject to reverse repurchase agreements	\$	0
		25.23	Subject to dollar repurchase agreements	\$	0
		25.24	Subject to reverse dollar repurchase agreements	\$	0
		25.25	Placed under option agreements	\$	0
		25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27	FHLB Capital Stock	\$	0
		25.28	On deposit with states	\$	1,108,448
		25.29	On deposit with other regulatory bodies	\$	0
		25.30	Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31	Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32	Other	\$	0

25.3 For category (25.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [] No [] N/A []

If no, attach a description with this statement.

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? ..

Yes [] No []

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108

Yes [] No []

26.42 Permitted accounting practice

Yes [] No []

26.43 Other accounting guidance

Yes [] No []

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

Yes [] No []

The reporting entity has obtained explicit approval from the domiciliary state.

Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.

Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.

Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
Bank of New York Mellon	Global Liquidity Services, 1 Wall St., 14th Floor, New York, NY 10286
Northern Trust	50 S. LaSalle, Chicago, IL 60675

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

GENERAL INTERROGATORIES

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
JPMorgan Investment Management Inc.	U.....
Deutsche Investment Management Americas Inc.	U.....
Internally Managed	I.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107038	JPMorgan Investment Management Inc.	549300W78QH4XMM6K69	SEC	NO.....
104518	Deutsche Investment Management Americas Inc.	CZ83K4EEEX8QVCT3B128	SEC	NO.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

GENERAL INTERROGATORIES

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	516,343,983	531,398,760	15,054,777
30.2 Preferred stocks	0	0	0
30.3 Totals	516,343,983	531,398,760	15,054,777

30.4 Describe the sources or methods utilized in determining the fair values:
For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources. .

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:
.....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
b. Issuer or obligor is current on all contracted interest and principal payments.
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
a. The security was purchased prior to January 1, 2018.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes [] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
a. The shares were purchased prior to January 1, 2019.
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
d. The fund only or predominantly holds bonds in its portfolio.
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid
.....	

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

GENERAL INTERROGATORIES

37.1

Amount of payments for legal expenses, if any?

\$

0

37.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
.....

38.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$

0

38.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

3,542,688,131

3,101,313,307

2.2

Premium Denominator

3,542,688,131

3,101,313,307

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

425,641,036

389,016,031

2.5

Reserve Denominator

425,641,036

389,016,031

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No []

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [] No [X]

5.2

If no, explain:
UnitedHealthcare of the Midlands, Inc. has insolvency only reinsurance.

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 0

5.32

Medical Only

\$ 0

5.33

Medicare Supplement

\$ 0

5.34

Dental & Vision

\$ 0

5.35

Other Limited Benefit Plan

\$ 0

5.36

Other

\$ 0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreements.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

140,626

8.2

Number of providers at end of reporting year

150,418

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [X] No []

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ 64,328

9.22

Business with rate guarantees over 36 months

\$ 0

28

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$30,433,465

10.22 Amount actually paid for year bonuses.....\$43,795,910

10.23 Maximum amount payable withholds.....\$5,522,784

10.24 Amount actually paid for year withholds.....\$9,245,355

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [] No [X]

11.13 An Individual Practice Association (IPA), or, . Yes [] No [X]

11.14 A Mixed Model (combination of above)? Yes [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []

11.3 If yes, show the name of the state requiring such minimum capital and surplus. Nebraska

11.4 If yes, show the amount required.\$36,926,881

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

Nebraska Statutes Title 44 Chapter 32 Subsection 138

Premium Revenue \$3,542,688,131

Premiums < \$150,000,000 at 2% \$3,000,000

Premiums > \$150,000,000 at 1% \$33,926,881

Total \$36,926,881

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
UnitedHealthcare of the Midlands, Inc. is licensed to operate in all the counties of Nebraska.
United Healthcare of the Midlands, Inc. is licensed to operate in the following counties of Iowa:
Adair
Adams
Appanoose
Audubon
Benton
BlackHawk
Boone
Bremer
Buchanan
BuenaVista
Butler
Calhoun
Carroll
Cass
Cedar
CerroGordo
Chickasaw
Clarke
Clayton
Clinton
Crawford
Dallas
Davis
Decatur
Delaware
Dodge
Douglas
Dubuque
Fayette
Floyd
Franklin
Fremont
Gage
Greene
Grundy
Guthrie
Hamilton
Hancock
Hardin
Harrison
Howard
Iowa
Jackson
Jasper
Jefferson
Johnson
Jones
Keokuk
Kossuth
Lancaster
Linn
Lucas
Madison

1
Name of Service Area
Mahaska
Marion
Marshall
Mills
Mitchell
Monona
Monroe
Montgomery
Muscatine
Oteo
Page
Pocahontas
Polk
Pottawattamie
Poweshiek
Sarpy
Saunders
Scott
Seward
Shelby
Story
Tama
Union
Wapello
Warren
Washington.
Wayne
Webster
Winnebago
Woodbury
Worth
Wright
United Healthcare of the Midlands, Inc. is licensed to operate in the following counties of Alabama:
Autauga
Baldwin
Bibb
Blount
Chilton
Cullman
Elmore
Escambia
Etowah
Houston
Jefferson
Lee
Lowndes
Macon
Madison
Mobile
Montgomery
Russell
Shelby
St. Clair
Talladega
Tuscaloosa
Walker
United Healthcare of the Midlands, Inc. is licensed to operate in the following counties of Arkansas:
Benton
Carroll
Crawford
Garland
Jefferson
Pulaski
Saline
Sebastian
Washington
United Healthcare of the Midlands, Inc. is licensed to operate in the following counties of Illinois:
Bond
Boone
Clinton
Cook
DeKalb
DuPage
Grundy
Jersey
Kane
Kankakee
Kendall
Lake
Macoupin
Madison
McHenry
McLean
Monroe

1
Name of Service Area
St. Clair
Will
Winnebago
United Healthcare of the Midlands, Inc. is licensed to operate in the following counties of Missouri:
Audrain
Barry
Boone
Buchanan
Callaway
Camden
Cass
Christian
Clay
Clinton
Cole
Crawford
Dade
Dallas
DeKalb
Douglas
Franklin
Gasconade
Greene
Jackson
Jasper
Jefferson
Johnson
Laclede
Lafayette
Lawrence
Lincoln
Miller
Montgomery
Newton
Osage
Platte
POLK
Ray
St. Charles
St. Louis
St. Francois
Ste. Genevieve
Stone
Taney
Texas
Warren
Washington
Webster
Wright
United Healthcare of the Midlands, Inc. is licensed to operate in the following counties of Kansas:
Butler
Douglas
Franklin
Harvey
Jefferson
Johnson
Leavenworth
Miami
Osage
Sedgwick
Wyandotte
UnitedHealthcare of the Midlands, Inc. is licensed to operate in the following counties of Indiana:
Adams
Allen
Bartholomew
Benton
Blackford
Boone
Brown
Carroll
Cass
Clark
Clay
Clinton
Crawford
Daviess
De Kalb
Dearborn
Decatur
Delaware
Dubois
Elkhart
Fayette
Floyd

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

1
Name of Service Area
Fountain
Franklin
Fulton
Gibson
Grant
Greene
Hamilton
Hancock
Harrison
Hendricks
Henry
Howard
Huntington
Jackson
Jasper
Jay
Jefferson
Jennings
Johnson
Knox
Kosciusko
La Porte
Lagrange
Lake
Lawrence
Madison
Marion
Marshall
Martin
Miami
Monroe
Montgomery
Morgan
Newton
Noble
Ohio
Orange
Owen
Parke
Perry
Pike
Porter
Posey
Pulaski
Putnam
Randolph
Ripley
Rush
Scott
Shelby
Spencer
St. Joseph
Starke
Steuben
Sullivan
Switzerland
Tippecanoe
Tipton
Union
Vanderburgh
Vermillion
Vigo
Wabash
Warren
Warrick
Washington
Wells
White
Whitley
.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. \$0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written\$0

15.2 Total Incurred Claims\$0

15.3 Number of Covered Lives0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?Yes [X] No []

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?Yes [] No []

FIVE-YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	835,262,258	729,653,661	645,484,264	207,263,898	90,910,317
2. Total liabilities (Page 3, Line 24)	476,909,457	426,937,294	452,155,855	135,031,370	64,954,427
3. Statutory minimum capital and surplus requirement	36,926,881	32,524,644	26,929,154	26,750,968	18,810,522
4. Total capital and surplus (Page 3, Line 33)	358,352,801	302,716,367	193,328,409	72,232,528	25,955,890
Income Statement (Page 4)					
5. Total revenues (Line 8)	3,569,912,613	3,102,464,390	2,542,915,448	573,191,476	286,395,955
6. Total medical and hospital expenses (Line 18)	2,960,662,721	2,529,188,987	2,059,827,497	503,803,904	239,458,017
7. Claims adjustment expenses (Line 20)	139,329,523	127,630,647	100,382,882	33,774,306	16,817,282
8. Total administrative expenses (Line 21)	275,011,820	287,600,455	194,219,480	67,377,707	26,501,770
9. Net underwriting gain (loss) (Line 24)	194,908,549	158,044,301	188,485,589	(18,942,441)	(9,203,114)
10. Net investment gain (loss) (Line 27)	17,790,211	13,516,069	7,158,373	1,822,572	1,263,068
11. Total other income (Lines 28 plus 29)	(1,026,007)	(1,168,827)	(878,975)	(43,522)	(6,211)
12. Net income or (loss) (Line 32)	167,373,497	124,257,240	126,252,336	(8,374,851)	(11,573,600)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	203,652,055	3,391,322	302,028,966	25,326,691	13,376,383
Risk-Based Capital Analysis					
14. Total adjusted capital	358,352,801	302,716,367	193,328,409	72,232,528	25,955,890
15. Authorized control level risk-based capital	114,979,912	89,577,603	69,490,434	19,363,965	9,405,261
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	342,547	324,932	277,973	117,767	69,694
17. Total members months (Column 6, Line 7)	4,058,508	3,803,839	3,256,097	1,397,289	837,795
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	82.9	81.5	81.0	87.9	83.6
20. Cost containment expenses	2.8	2.4	2.4	3.5	3.3
21. Other claims adjustment expenses	1.1	1.7	1.6	2.7	2.5
22. Total underwriting deductions (Line 23)	94.5	94.9	92.6	103.3	103.2
23. Total underwriting gain (loss) (Line 24)	5.5	5.1	7.4	(3.3)	(3.2)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	244,031,567	237,534,385	64,587,451	33,101,799	29,552,054
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	261,052,693	249,259,158	77,667,837	36,475,486	28,793,974
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain:

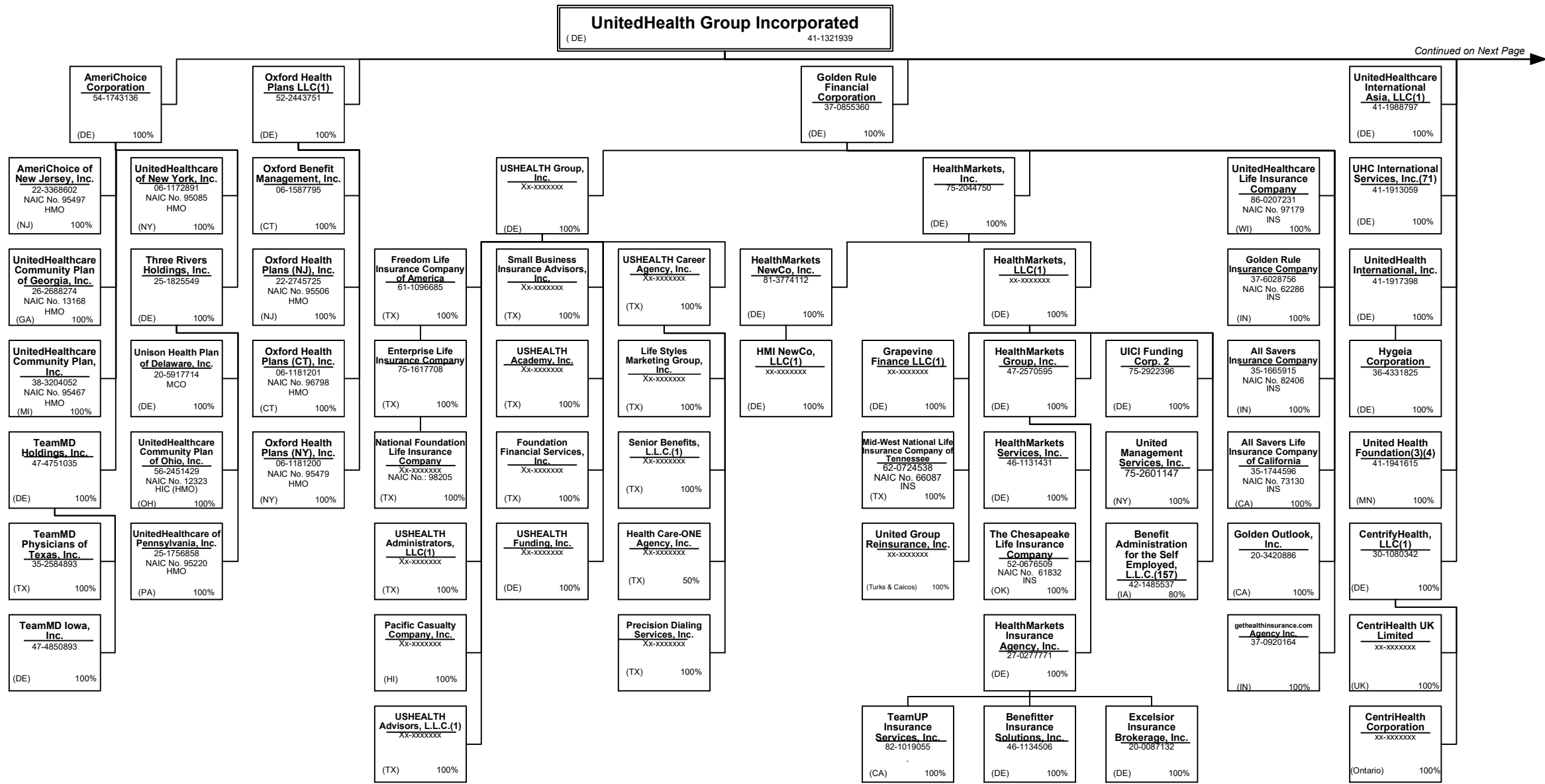
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
States, etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama AL	L	0	923,753,900	16,987,884	0	0	0	940,741,784	0	
2. Alaska AK	N	0	0	0	0	0	0	0	0	
3. Arizona AZ	N	0	0	0	0	0	0	0	0	
4. Arkansas AR	L	0	22,225	0	0	0	0	22,225	0	
5. California CA	N	0	0	0	0	0	0	0	0	
6. Colorado CO	N	0	0	0	0	0	0	0	0	
7. Connecticut CT	N	0	0	0	0	0	0	0	0	
8. Delaware DE	N	0	0	0	0	0	0	0	0	
9. District of Columbia DC	N	0	0	0	0	0	0	0	0	
10. Florida FL	N	0	0	0	0	0	0	0	0	
11. Georgia GA	N	0	0	0	0	0	0	0	0	
12. Hawaii HI	N	0	0	0	0	0	0	0	0	
13. Idaho ID	N	0	0	0	0	0	0	0	0	
14. Illinois IL	L	0	449,651,866	0	0	0	0	449,651,866	0	
15. Indiana IN	L	0	492,172,497	0	0	0	0	492,172,497	0	
16. Iowa IA	L	3,381	31,116,633	0	0	0	0	31,120,014	0	
17. Kansas KS	L	0	94,707,923	0	0	0	0	94,707,923	0	
18. Kentucky KY	N	0	0	0	0	0	0	0	0	
19. Louisiana LA	N	0	0	0	0	0	0	0	0	
20. Maine ME	N	0	0	0	0	0	0	0	0	
21. Maryland MD	N	0	0	0	0	0	0	0	0	
22. Massachusetts MA	N	0	0	0	0	0	0	0	0	
23. Michigan MI	N	0	0	0	0	0	0	0	0	
24. Minnesota MN	N	0	0	0	0	0	0	0	0	
25. Mississippi MS	N	0	0	0	0	0	0	0	0	
26. Missouri MO	L	0	919,594,906	0	0	0	0	919,594,906	0	
27. Montana MT	N	0	0	0	0	0	0	0	0	
28. Nebraska NE	L	8,156,069	186,752,581	434,100,806	0	0	0	629,009,456	0	
29. Nevada NV	N	0	0	0	0	0	0	0	0	
30. New Hampshire NH	N	0	0	0	0	0	0	0	0	
31. New Jersey NJ	N	0	0	0	0	0	0	0	0	
32. New Mexico NM	N	0	0	0	0	0	0	0	0	
33. New York NY	N	0	0	0	0	0	0	0	0	
34. North Carolina NC	N	0	0	0	0	0	0	0	0	
35. North Dakota ND	N	0	0	0	0	0	0	0	0	
36. Ohio OH	N	0	0	0	0	0	0	0	0	
37. Oklahoma OK	N	0	0	0	0	0	0	0	0	
38. Oregon OR	N	0	0	0	0	0	0	0	0	
39. Pennsylvania PA	N	0	0	0	0	0	0	0	0	
40. Rhode Island RI	N	0	0	0	0	0	0	0	0	
41. South Carolina SC	N	0	0	0	0	0	0	0	0	
42. South Dakota SD	N	0	0	0	0	0	0	0	0	
43. Tennessee TN	N	0	0	0	0	0	0	0	0	
44. Texas TX	N	0	0	0	0	0	0	0	0	
45. Utah UT	N	0	0	0	0	0	0	0	0	
46. Vermont VT	N	0	0	0	0	0	0	0	0	
47. Virginia VA	N	0	0	0	0	0	0	0	0	
48. Washington WA	N	0	0	0	0	0	0	0	0	
49. West Virginia WV	N	0	0	0	0	0	0	0	0	
50. Wisconsin WI	N	0	0	0	0	0	0	0	0	
51. Wyoming WY	N	0	0	0	0	0	0	0	0	
52. American Samoa AS	N	0	0	0	0	0	0	0	0	
53. Guam GU	N	0	0	0	0	0	0	0	0	
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0	
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0	
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0	
57. Canada CAN	N	0	0	0	0	0	0	0	0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0	
59. Subtotal	XXX	8,159,450	3,097,772,531	451,088,690	0	0	0	3,557,020,671	0	
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	
61. Total (Direct Business)	XXX	8,159,450	3,097,772,531	451,088,690	0	0	0	3,557,020,671	0	
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	

(a) Active Status Counts:
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....8
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0
N - None of the above - Not allowed to write business in the state.....49
R - Registered - Non-domiciled RRGs.....0
Q - Qualified - Qualified or accredited reinsurer.....0

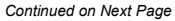
(b) Explanation of basis of allocation by states, premiums by state, etc.
Premiums allocated by state based upon Geographic Market.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

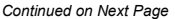


Continued on Next Page

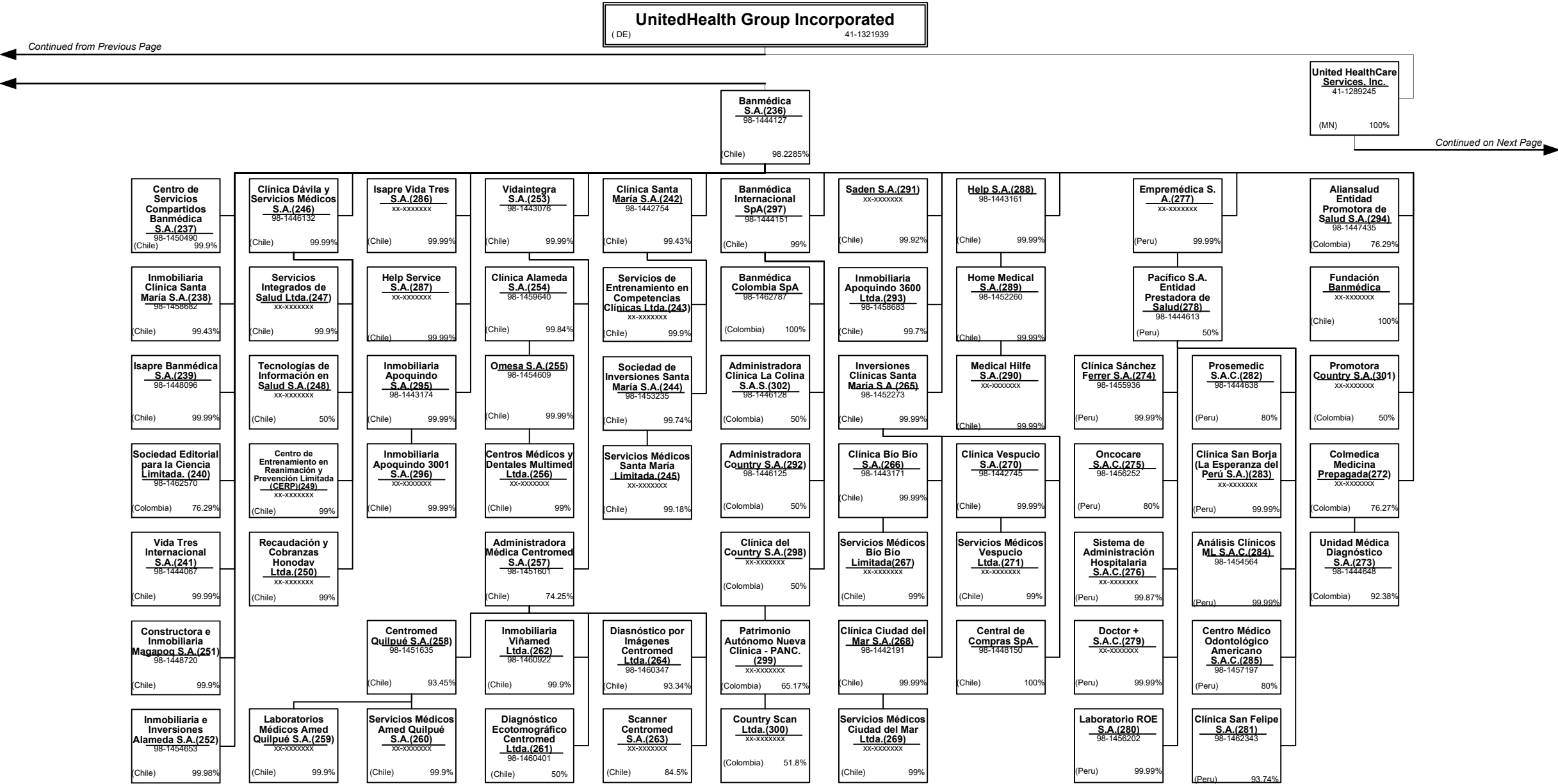
Continued from Previous Page



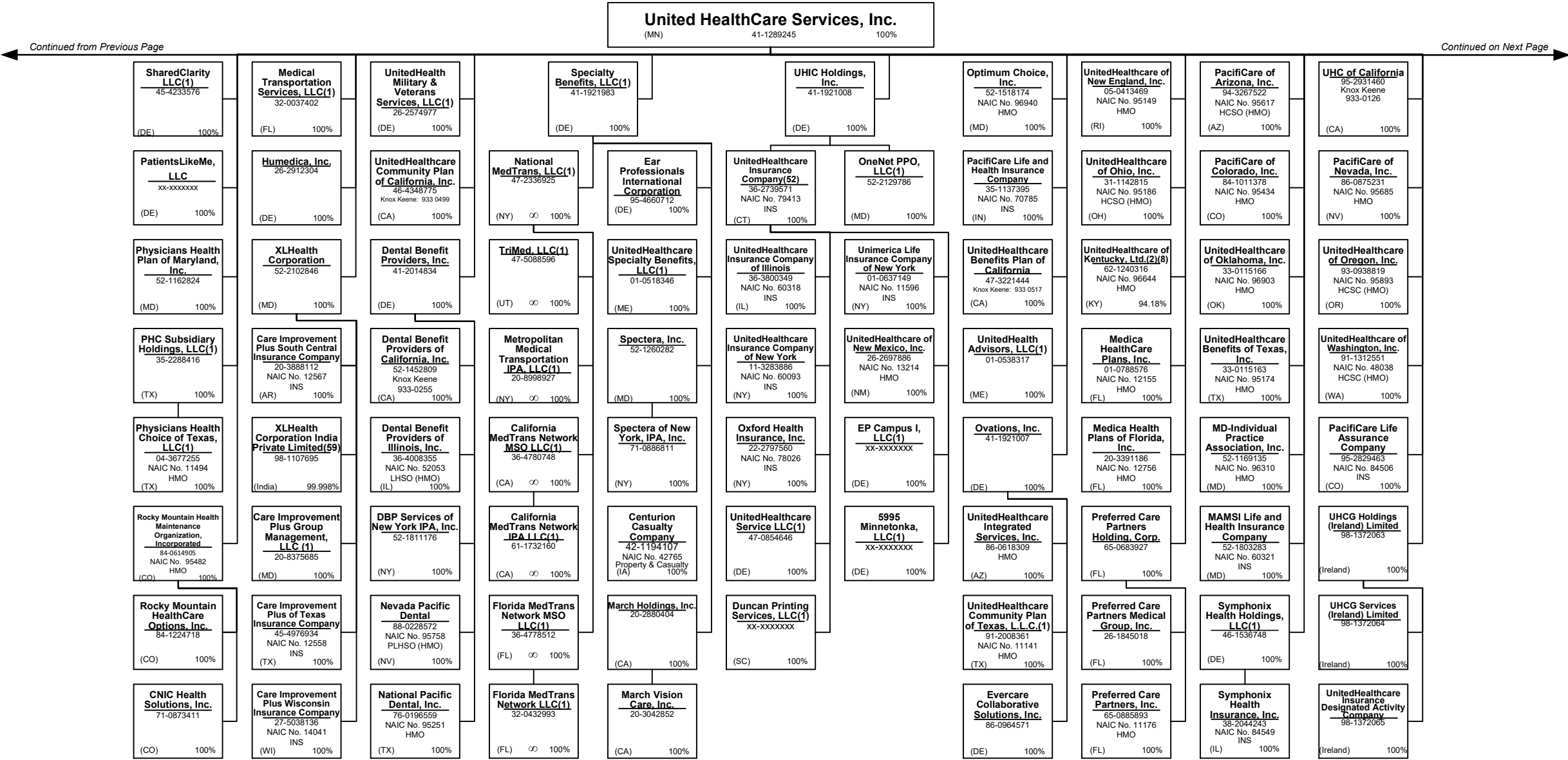
Continued from Previous Page



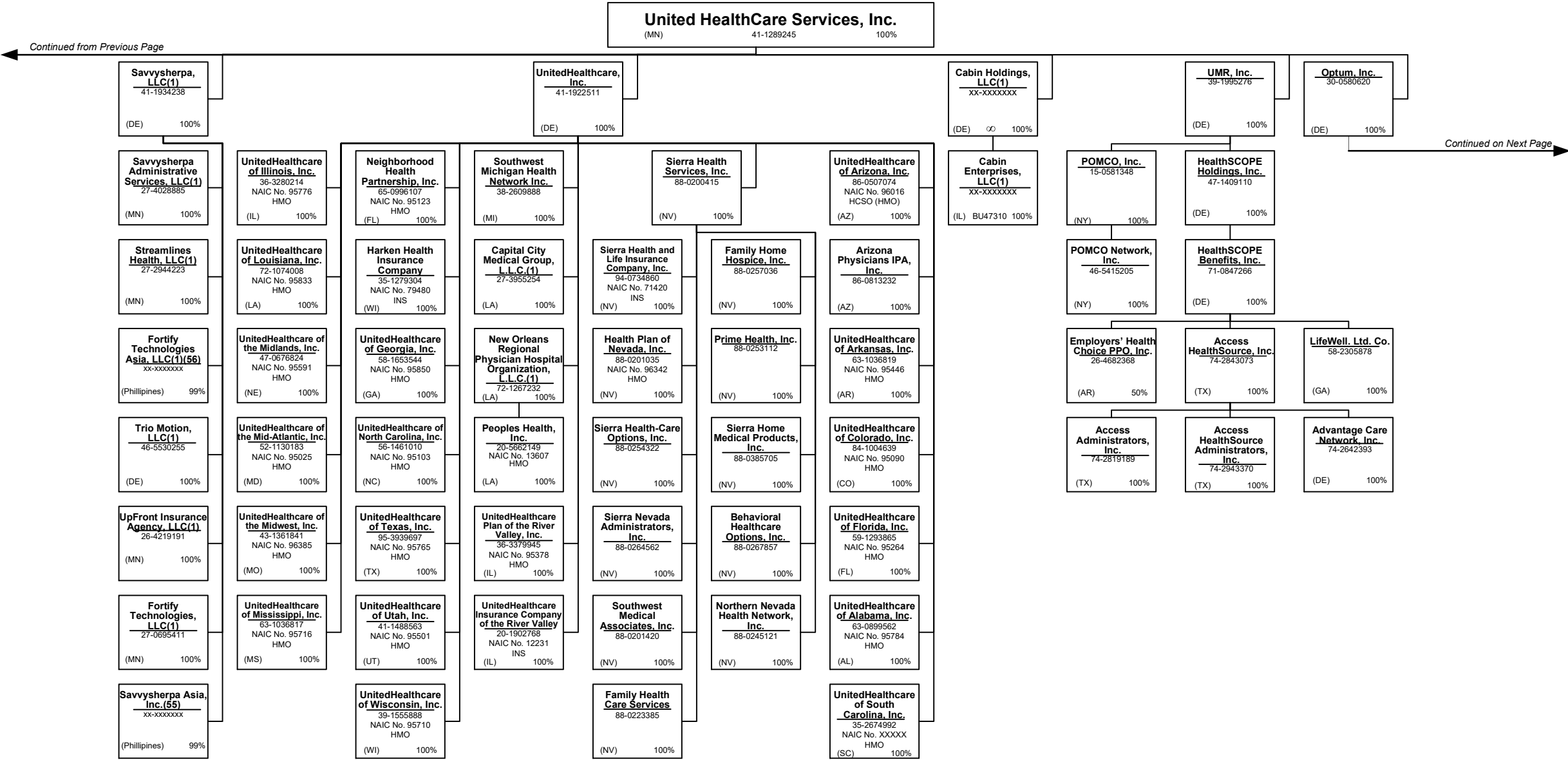
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



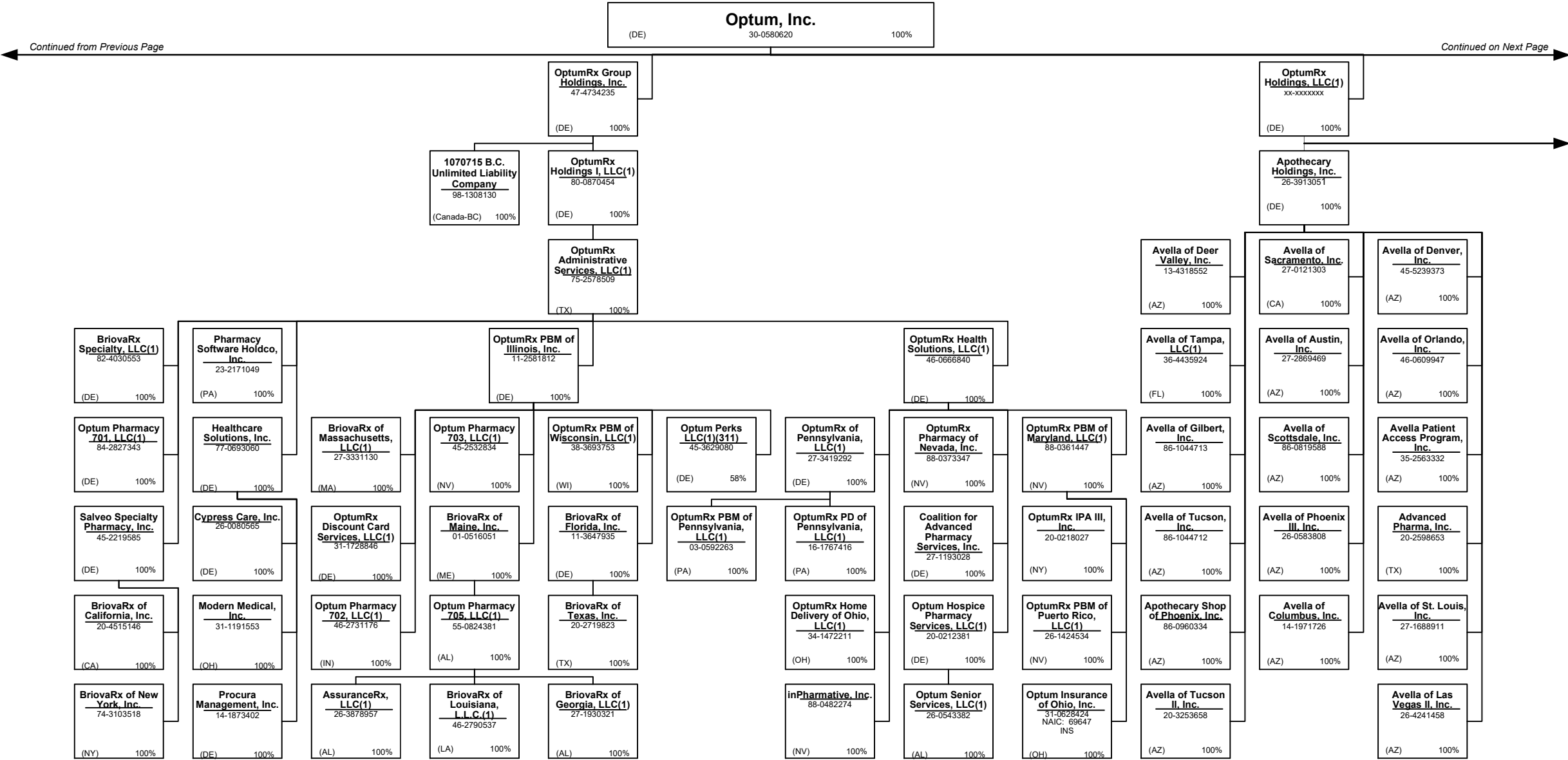
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

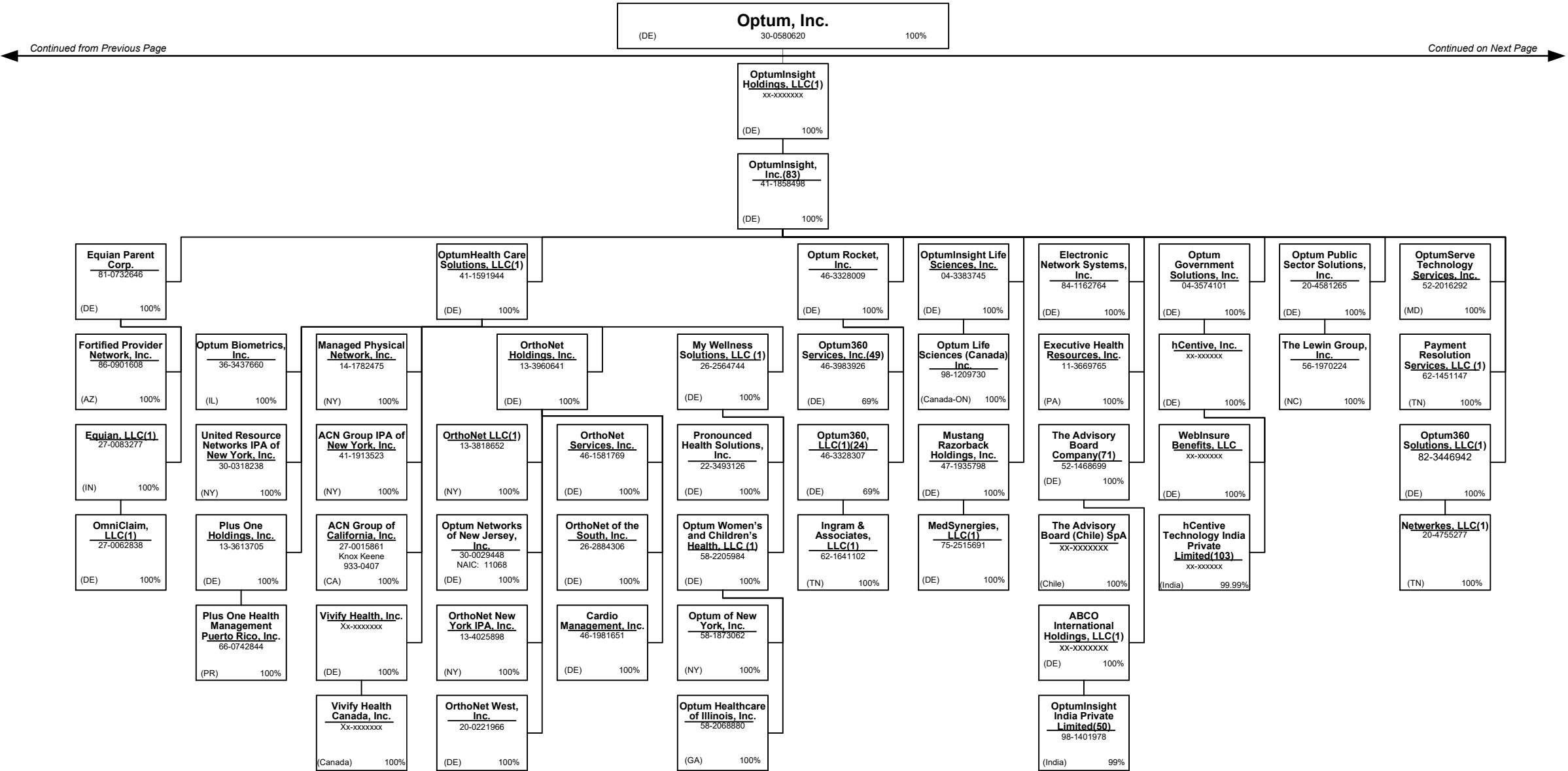


Continued from Previous Page

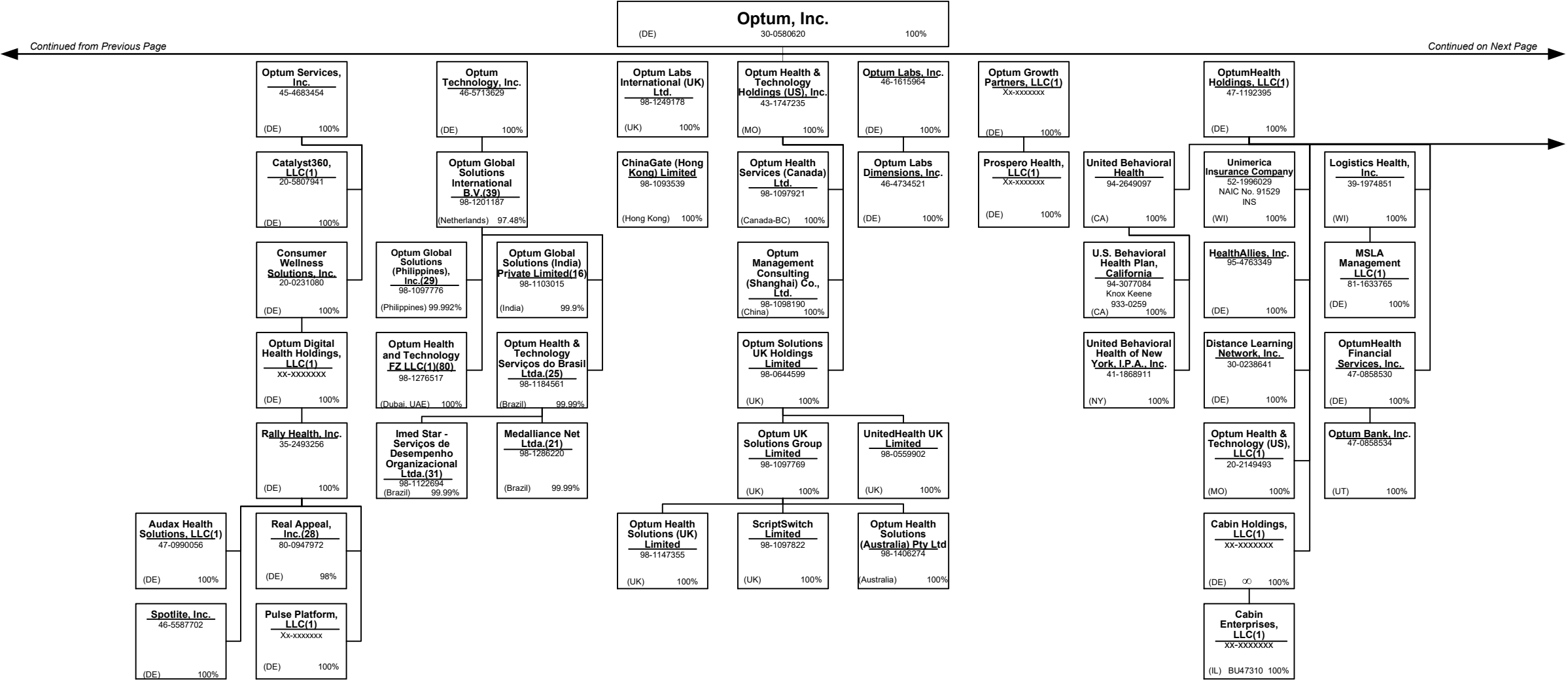
Continued on Next Page

```
graph TD
    Optum_Inc["Optum, Inc.  
(DE) 30-0580620 100%"]
    OptumRx_Holdings_LLCL1["OptumRx Holdings, LLC(1)  
xx-xxxxxx  
(DE) 100%"]
    Optum_Inc --> OptumRx_Holdings_LLCL1
    OptumRx_Inc["OptumRx, Inc.  
33-0441200  
(CA) 100%"]
    OptumRx_Holdings_LLCL1 --> OptumRx_Inc
    OptumRx_Holdings_LLCL1 --> AxelaCare_Holdings_LLCL1["AxelaCare Intermediate Holdings, LLC(1)  
30-0842394  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> Progressive_Enterprises_Holdings_Inc["Progressive Enterprises Holdings, Inc.  
27-4371197  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> OptumRx_Pharmacy_Holdings_Inc["OptumRx Pharmacy, Inc.  
47-3146510  
(CA) 100%"]
    AxelaCare_Holdings_LLCL1 --> AxelaCare_LLCL1["AxelaCare, LLC(1)  
61-1708598  
(DE) 100%"]
    AxelaCare_LLCL1 --> BriovaRx_Infusion_Services_Inc["BriovaRx Infusion Services, Inc.  
27-3918706  
(DE) 100%"]
    Genoa_Healthcare_Inc["Genoa Healthcare, Inc.  
47-3851949  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> Genoa_Healthcare_Inc
    Genoa_Healthcare_Inc --> QoL_Acquisition_Holdings_Corp["QoL Acquisition Holdings Corp.  
46-3901920  
(DE) 100%"]
    QoL_Acquisition_Holdings_Corp --> Specialized_Pharmaceuticals_Inc["Specialized Pharmaceuticals, Inc.  
25-1868213  
(PA) 100%"]
    Specialized_Pharmaceuticals_Inc --> Genoa_Healthcare_LLCL["Genoa Healthcare LLC  
27-0556097  
(PA) 100%"]
    Genoa_Healthcare_LLCL --> Genoa_Telepsychiatry_Inc["Genoa Telepsychiatry, Inc.  
45-3010132  
(DE) 100%"]
    Genoa_Healthcare_LLCL --> Genoa_of_Arkansas_LLCL["Genoa of Arkansas, LLC  
20-5009764  
(DE) 100%"]
    Genoa_Healthcare_LLCL --> Genoa_Technology_Inc["Genoa Technology, Inc.  
38-4034308  
(DE) 100%"]
    Genoa_Healthcare_LLCL --> Genoa_QoL_Wholesale_LLCL["Genoa, QoL Wholesale, LLC  
81-4703295  
(PA) 100%"]
    Genoa_Healthcare_LLCL --> Medication_Management_Systems_Inc["Medication Management Systems, Inc.  
20-4635837  
(MN) 100%"]
    Genoa_Healthcare_LLCL --> Genoa_Technology_Canada_Inc["Genoa Technology (Canada) Inc.  
xx-xxxxxx  
(Canada) 100%"]
    Genoa_Healthcare_LLCL --> First_Avenue_Pharmacy_Inc["1st Avenue Pharmacy, Inc.  
20-2904092  
(WA) 100%"]
    OptumRx_Holdings_LLCL1 --> Optum_Infusion_Services_302_LLCL1["Optum Infusion Services 302, LLC(1)  
27-0668812  
(NE) 100%"]
    OptumRx_Holdings_LLCL1 --> BriovaRx_Infusion_Services_402_LLCL1["BriovaRx Infusion Services 402, LLC(1)  
26-4312858  
(CA) 100%"]
    OptumRx_Holdings_LLCL1 --> Serquinnox_Holdings_LLCL1["Serquinnox Holdings, LLC(1)  
27-1533951  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> Optum_Infusion_Services_404_LLCL1["Optum Infusion Services 404, LLC(1)  
93-1103256  
(OR) 100%"]
    OptumRx_Holdings_LLCL1 --> Ambient_Holdings_Inc["Ambient Holdings, Inc.  
45-2161438  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> BriovaRx_Infusion_Services_305_LLCL1["BriovaRx Infusion Services 305, LLC(1)  
26-2565032  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> Optum_Infusion_Services_308_LLCL1["Optum Infusion Services 308, LLC(1)  
20-3741084  
(AZ) 100%"]
    OptumRx_Holdings_LLCL1 --> PMSI_Holdings_LLCL1["PMSI Holdings, LLC(1)  
26-3148744  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> SRPS_LLCL1["SRPS, LLC(1)  
62-1770924  
(DE) 100%"]
    OptumRx_Holdings_LLCL1 --> OptumRx_NY_IPA_Inc["OptumRx NY IPA, Inc.  
20-0151096  
(NY) 100%"]
    PMSI_Holdings_LLCL1 --> PMSI_LLCL1["PMSI, LLC(1)  
56-2422696  
(FL) 100%"]
    PMSI_Holdings_LLCL1 --> PMSI_Settlement_Solutions_LLCL1["PMSI Settlement Solutions, LLC(1)  
59-3166848  
(FL) 100%"]
    PMSI_Holdings_LLCL1 --> Tmesys_LLCL1["Tmesys, LLC(1)  
59-3143128  
(FL) 100%"]
    SRPS_LLCL1 --> P2P_Link_LLCL1["P2P Link, LLC(1)  
27-0008097  
(DE) 100%"]
    SRPS_LLCL1 --> PMI_Acquisition_LLCL1["PMI Acquisition, LLC(1)  
80-0670247  
(DE) 100%"]
    SRPS_LLCL1 --> WillowB_Labs_LLCL["WillowB Labs LLC  
83-3608739  
(DE) 100%"]
    P2P_Link_LLCL1 --> Progressive_Medical_LLCL1["Progressive Medical, LLC(1)  
31-1192384  
(OH) 100%"]
    BriovaRx_Infusion_Services_402_LLCL1 --> Optum_Infusion_Services_102_LLCL1["Optum Infusion Services 102, LLC(1)  
90-0884047  
(DE) 100%"]
    BriovaRx_Infusion_Services_402_LLCL1 --> Optum_Infusion_Services_103_Inc1["Optum Infusion Services 103, Inc.(1)  
27-1533840  
(DE) 100%"]
    BriovaRx_Infusion_Services_402_LLCL1 --> SCP_Specialty_Infusion_LLCL1["SCP Specialty Infusion, LLC(1)  
27-2635371  
(DE) 100%"]
    BriovaRx_Infusion_Services_402_LLCL1 --> Ambient_Healthcare_Inc["Ambient Healthcare, Inc.  
65-1095227  
(FL) 100%"]
    BriovaRx_Infusion_Services_402_LLCL1 --> Optum_Infusion_Services_403_LLCL1["Optum Infusion Services 403, LLC(1)  
47-0941801  
(CA) 100%"]
    BriovaRx_Infusion_Services_402_LLCL1 --> Optum_Infusion_Services_401_LLCL1["Optum Infusion Services 401, LLC(1)  
02-0653265  
(CA) 100%"]
    Optum_Infusion_Services_302_LLCL1 --> Optum_Infusion_Services_301_LP58["Optum Infusion Services 301, LP (58)  
75-2196224  
(OK) 99.95%"]
    Optum_Infusion_Services_302_LLCL1 --> Optum_Infusion_Services_100_Inc["Optum Infusion Services 100, Inc.  
11-2997132  
(NY) 100%"]
    Optum_Infusion_Services_302_LLCL1 --> Optum_Infusion_Services_101_Inc["Optum Infusion Services 101, Inc.  
11-3485985  
(NY) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_201_Inc["Optum Infusion Services 201, Inc.  
55-0802777  
(FL) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_205_Inc["Optum Infusion Services 205, Inc.  
26-3738273  
(FL) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> BriovaRx_Infusion_Services_204_Inc["BriovaRx Infusion Services 204, Inc.  
55-0802774  
(FL) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> BriovaRx_Infusion_Services_200_Inc["BriovaRx Infusion Services 200, Inc.  
57-0861358  
(SC) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_208_Inc["Optum Infusion Services 208, Inc.  
20-4963945  
(NC) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_202_Inc["Optum Infusion Services 202, Inc.  
20-4881413  
(FL) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> BriovaRx_Infusion_Services_209_Inc["BriovaRx Infusion Services 209, Inc.  
55-0802779  
(GA) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_206_Inc["Optum Infusion Services 206, Inc.  
63-1284325  
(AL) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_203_Inc["Optum Infusion Services 203, Inc.  
33-1012700  
(FL) 100%"]
    Optum_Infusion_Services_102_LLCL1 --> Optum_Infusion_Services_207_Inc["Optum Infusion Services 207, Inc.  
63-0964525  
(AL) 100%"]
```

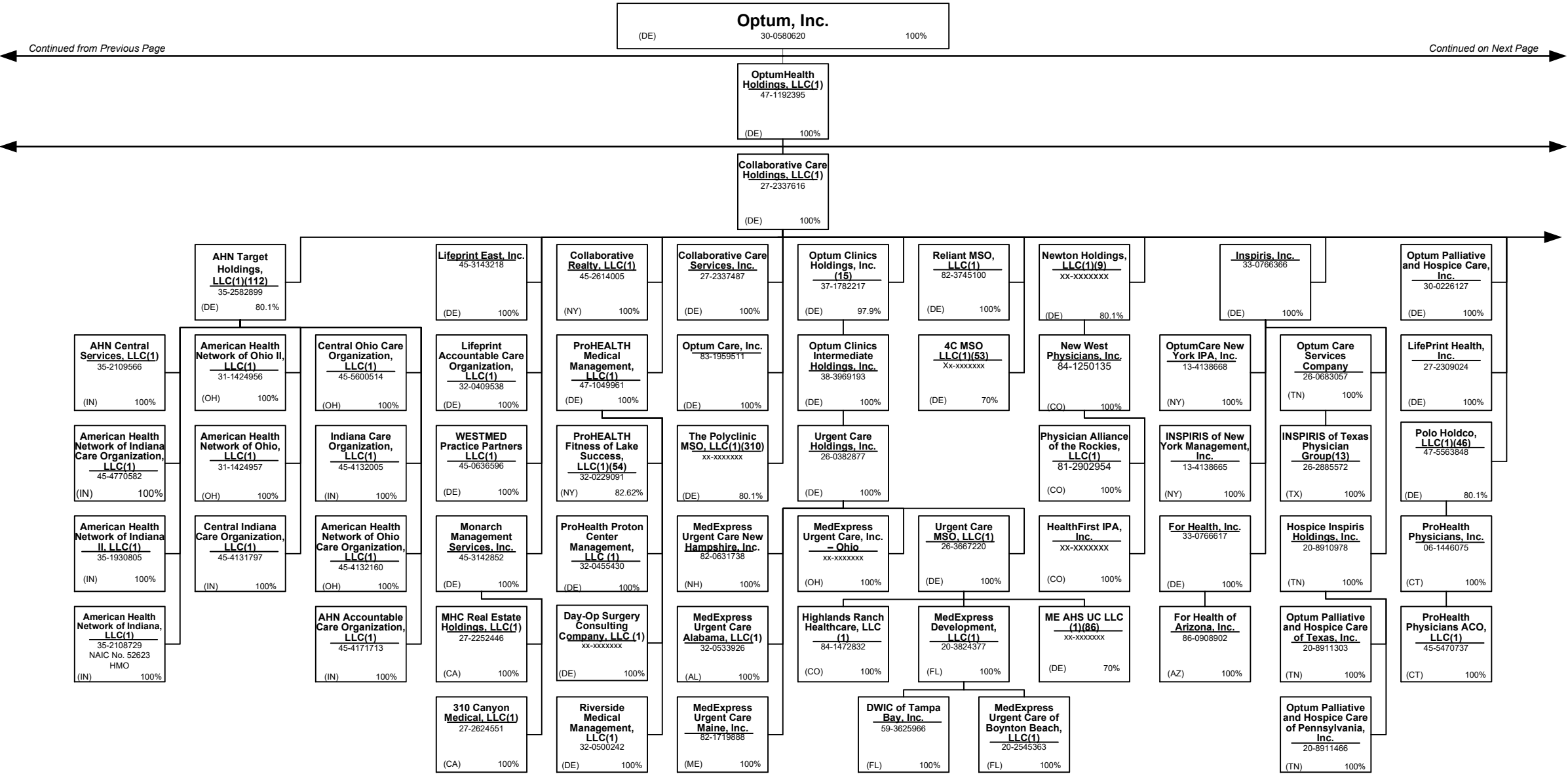

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



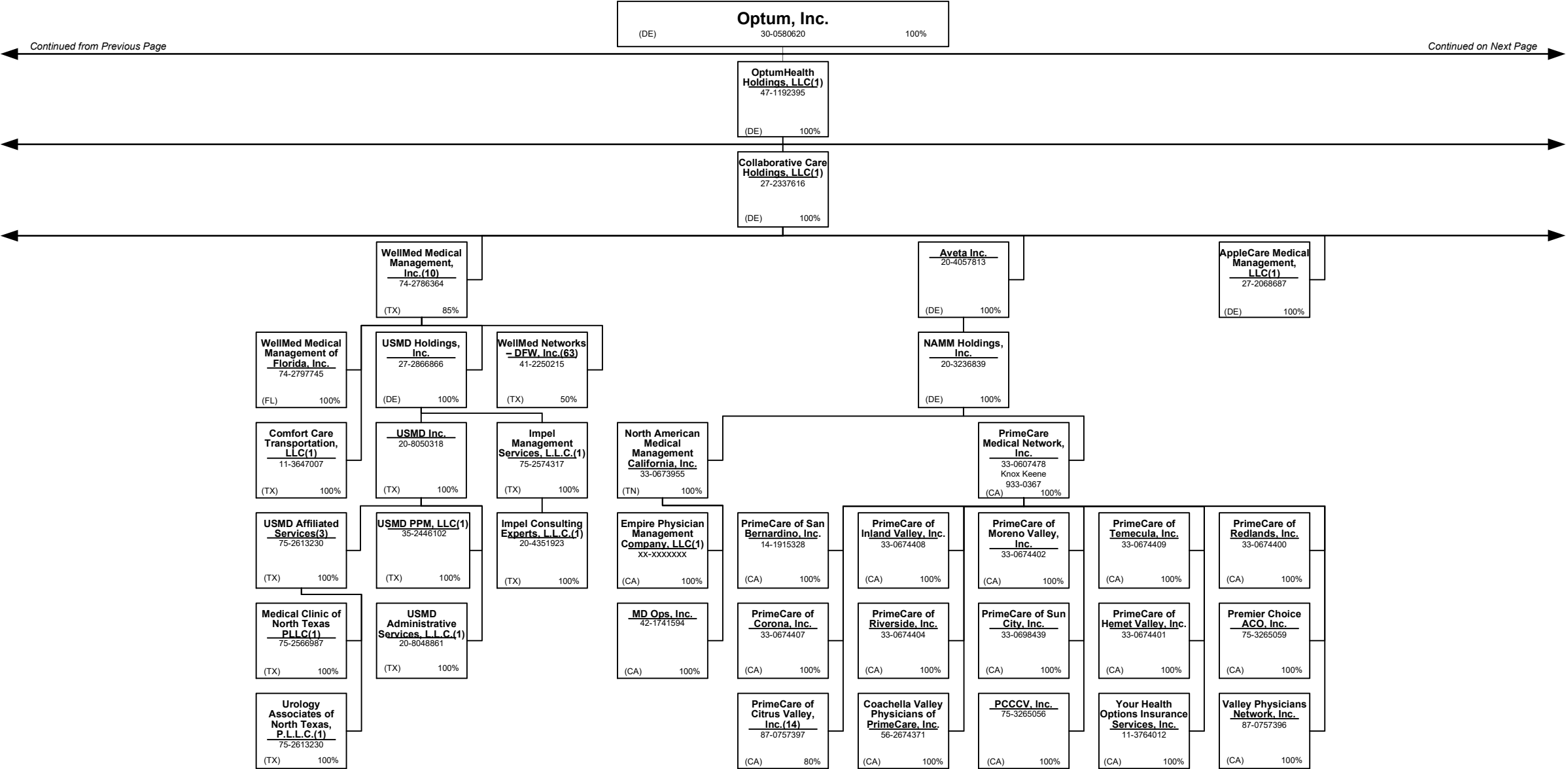
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



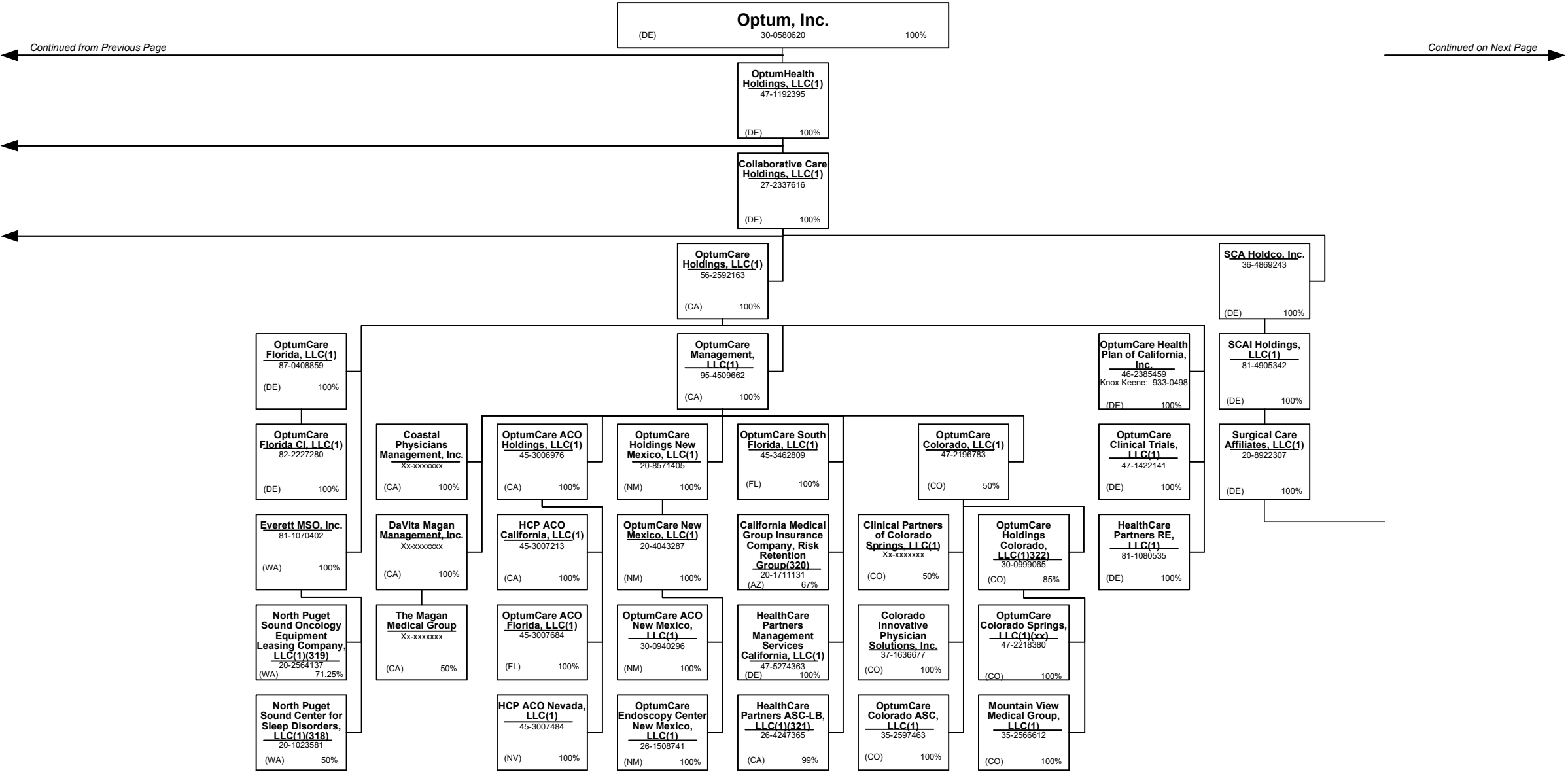
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



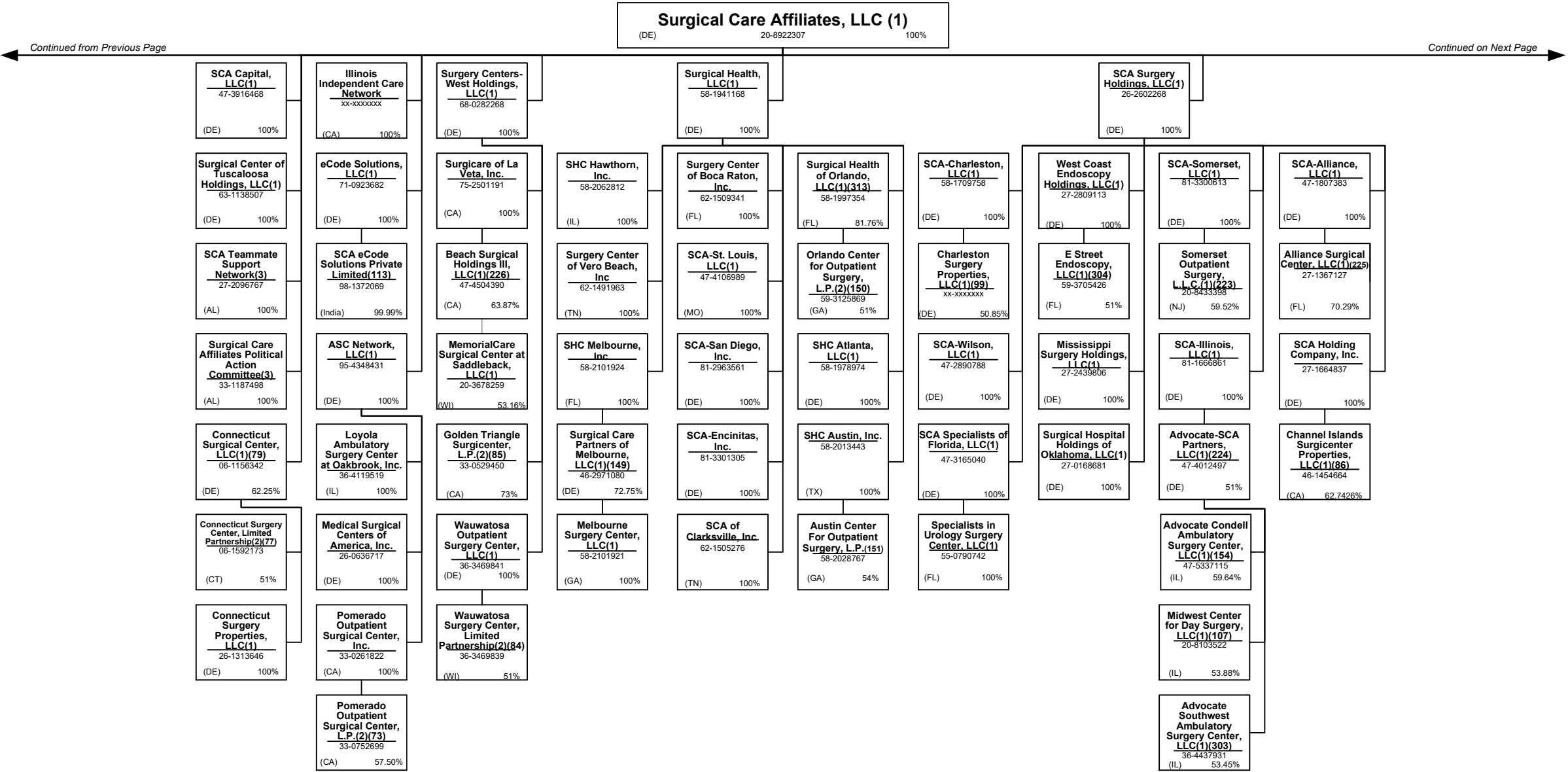
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



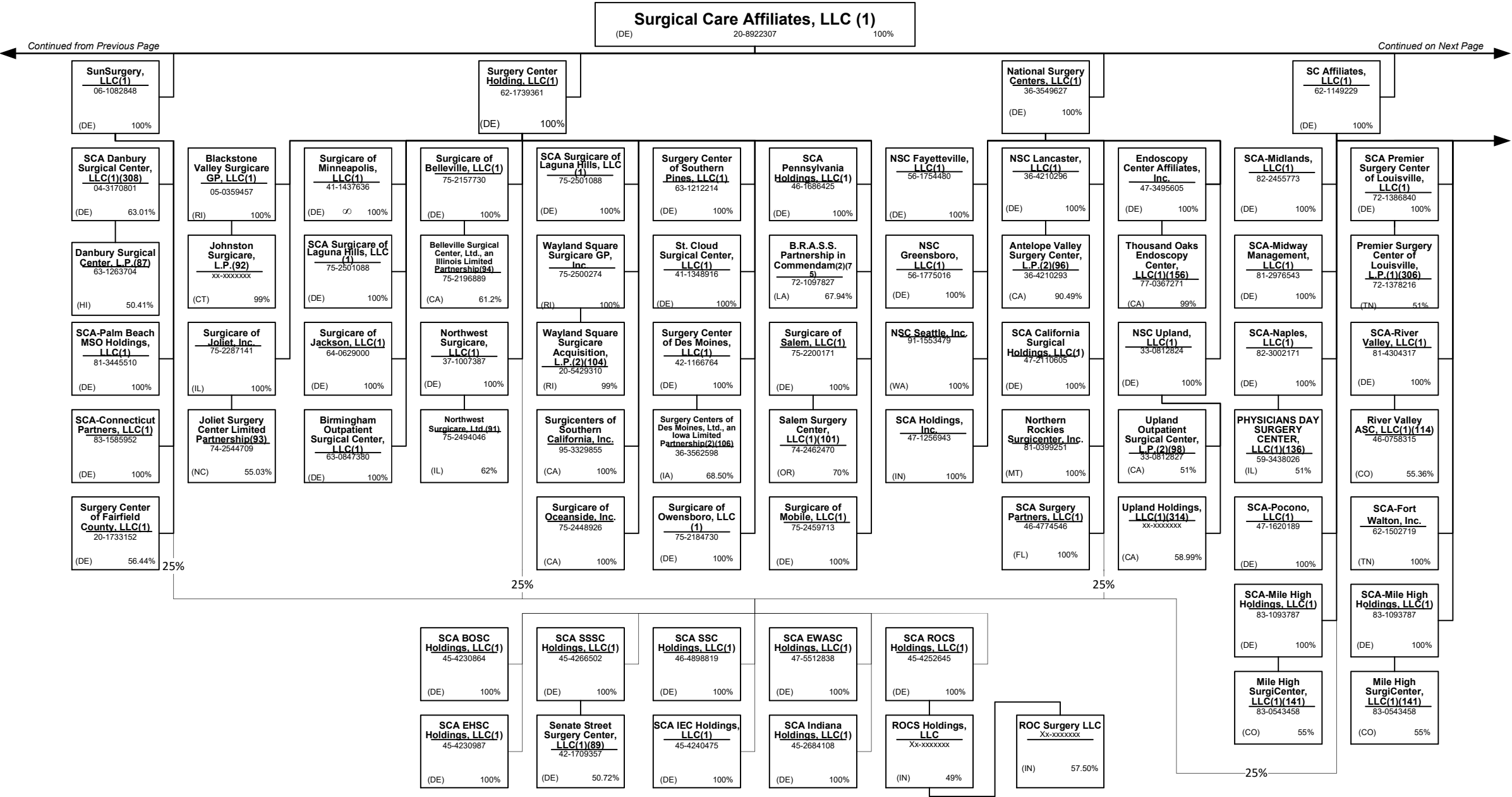
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



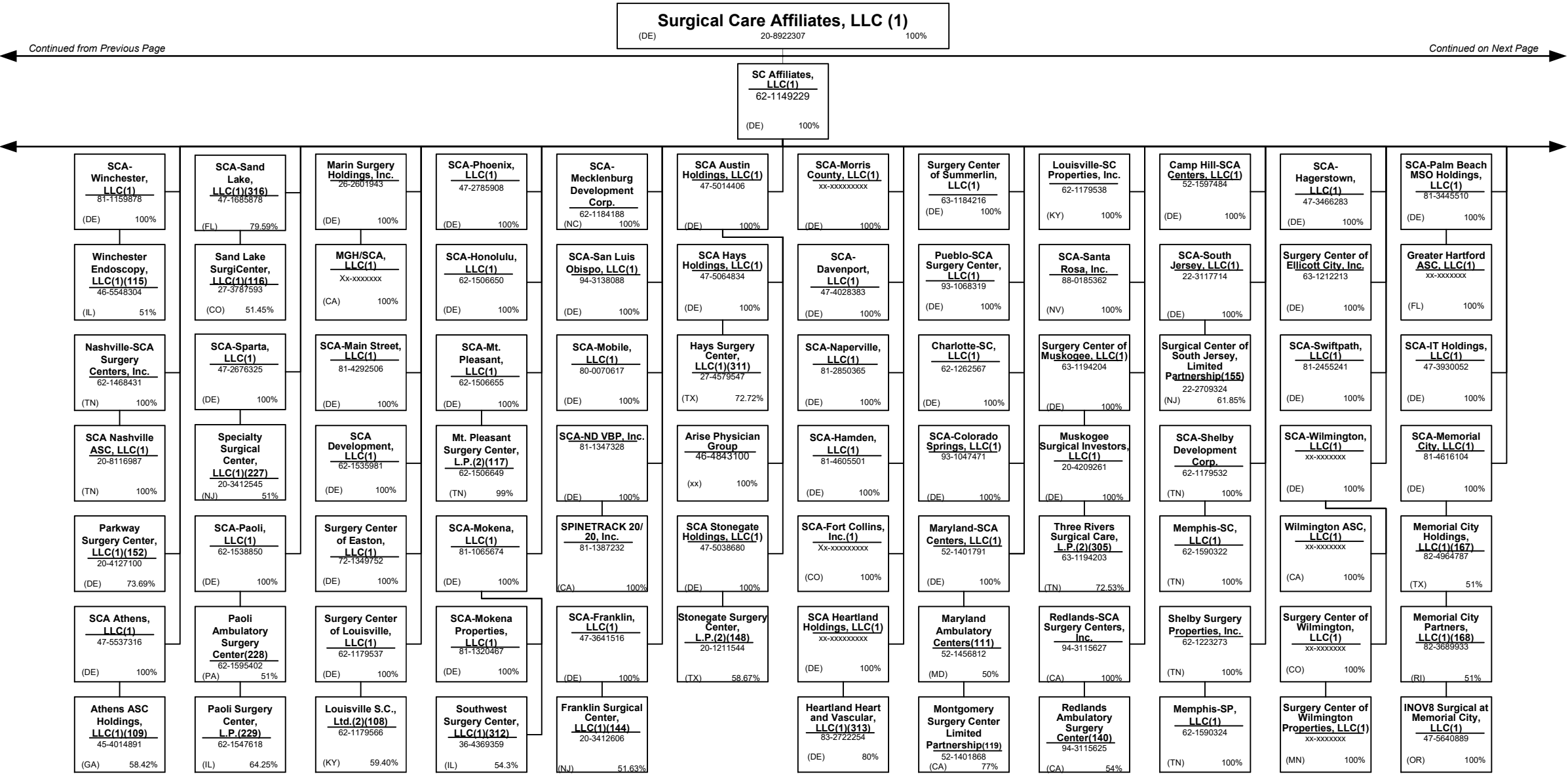
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



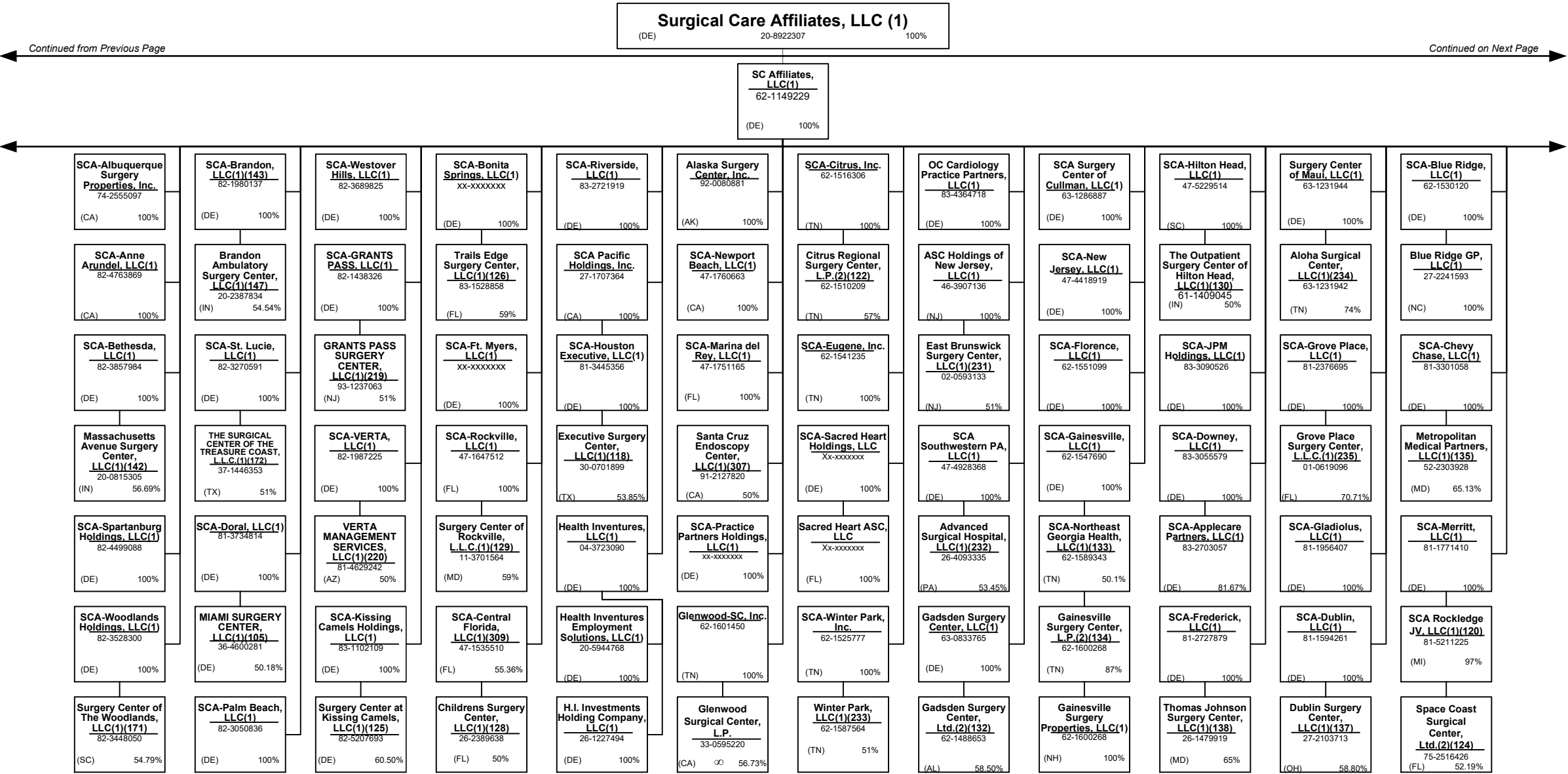
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



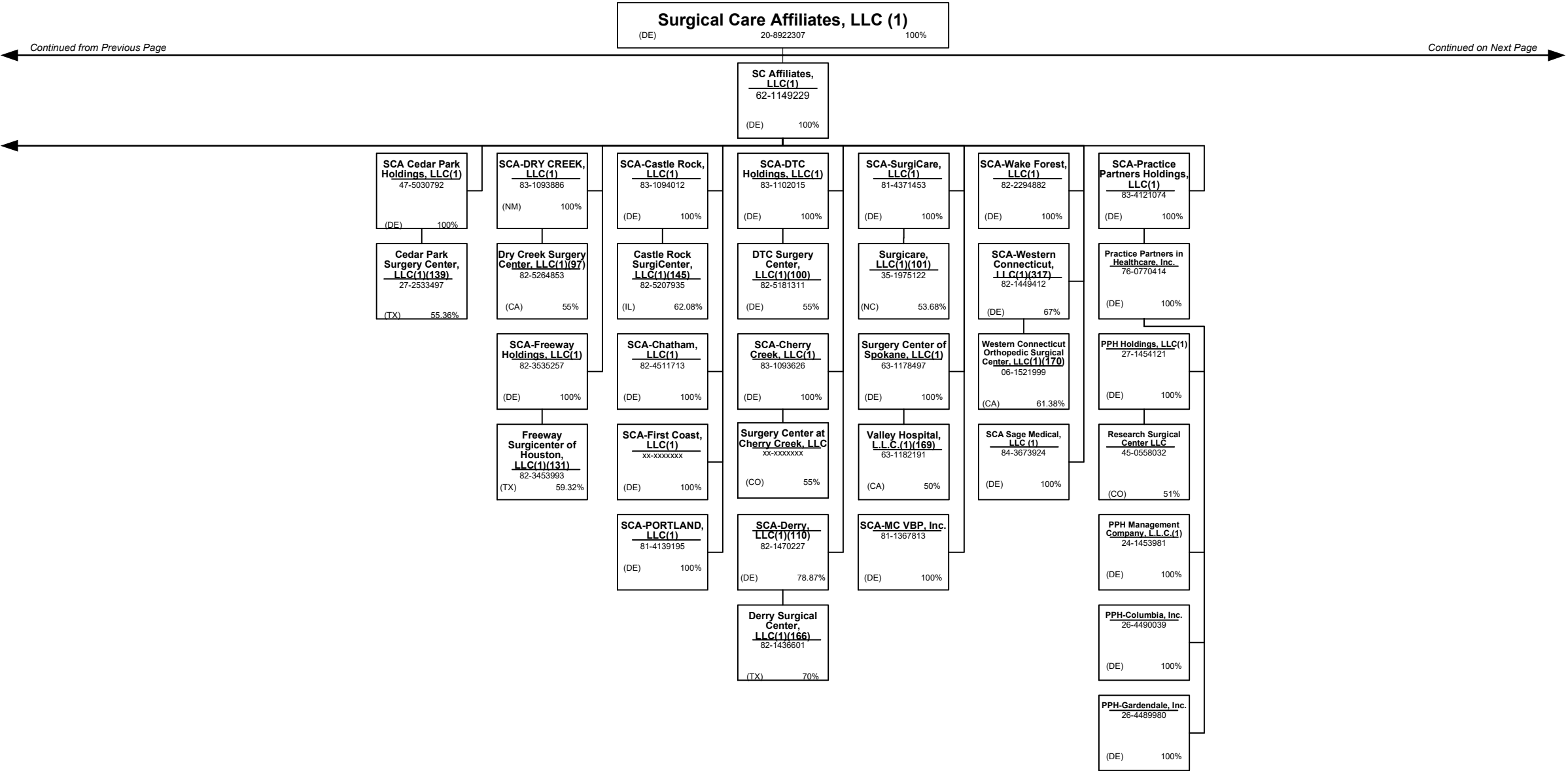
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

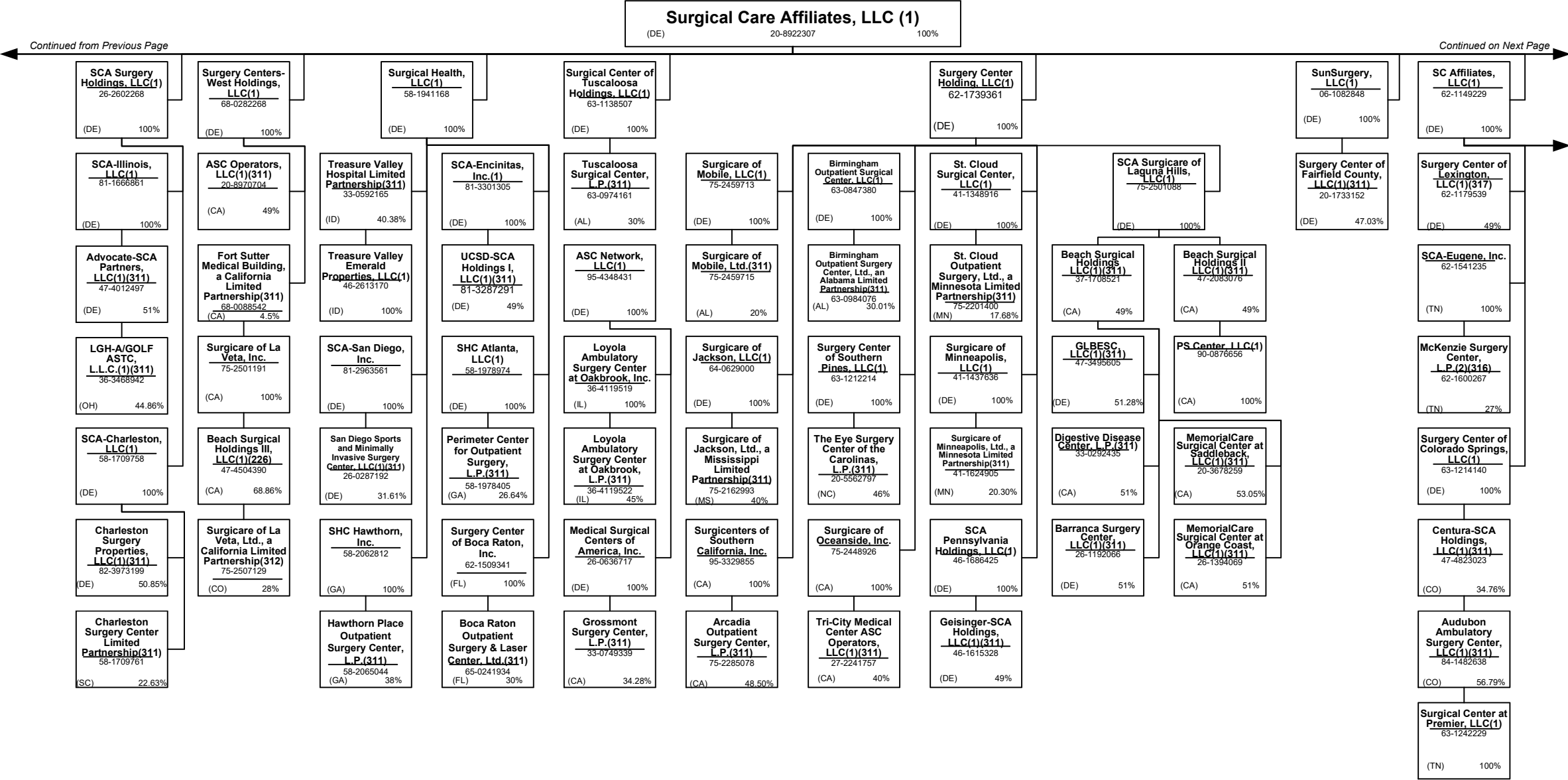


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



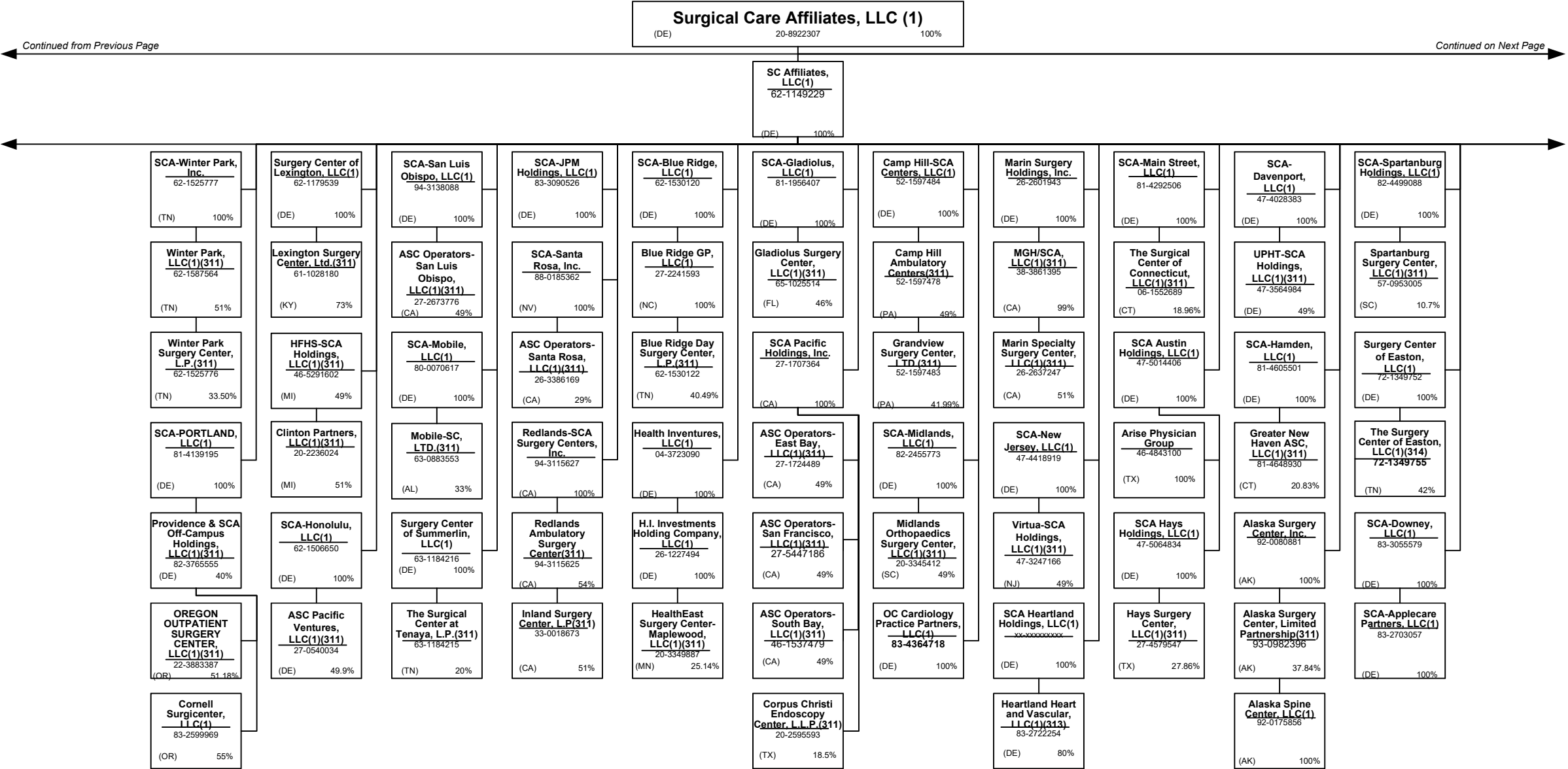
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



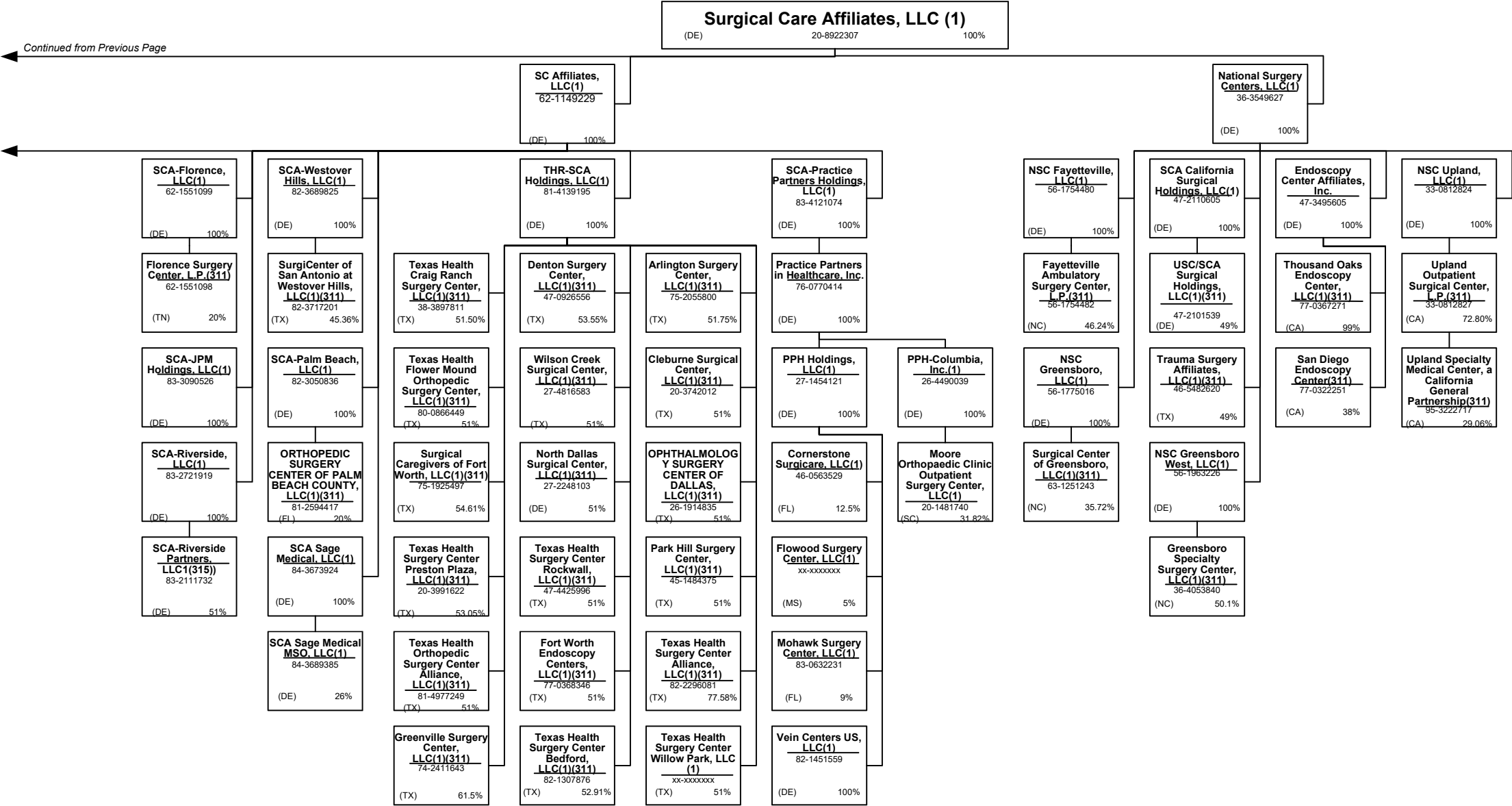
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**PART 1 – ORGANIZATIONAL CHART****Physician Owned Entities**

Entity Name	Domiciliary Location	ID Number	Entity Name	Domiciliary Location	ID Number	Entity Name	Domiciliary Location	ID Number
4C MHT, LLC	AZ	--	Hospitaist Medicine Physicians of Cortland County, PLLC	NY	--	INSPIRIS of Minnesota Medical Services, P.C.	MN	27-3903401
A.G. Dkengil, Inc.	NJ	22-349300	Hospitaist Medicine Physicians of Cuyahoga County, Ltd.	OH	--	INSPIRIS of New York Medical Services, P.C.	NY	13-4168739
A.T. LLC	AZ	--	Hospitaist Medicine Physicians of Davidson County, PLLC	NC	--	INSPIRIS of Pennsylvania Medical Services, P.C.	PA	26-2895670
Allan J. Ebbin, MD., P.C.	NV	86-0499345	Hospitaist Medicine Physicians of Delaware, P.A.	DE	--	INSPIRIS of Tennessee Medical Services, P.C.	TN	27-5248736
AppleCare Hospitalists Medical Group, Inc.	CA	11-1890491	Hospitaist Medicine Physicians of Durham County, PLLC	NC	--	Integrated Physician Technology LLC	CA	--
AppleCare Medical Group St. Francis, Inc.	CA	33-0845269	Hospitaist Medicine Physicians of Forsyth County, PLLC	NC	--	March Vision Care Group, Incorporated	CA	95-4874334
AppleCare Medical Group, Inc.	CA	33-0998174	Hospitaist Medicine Physicians of Fredericksburg, LLC	VA	--	Marvin McBride Medical Services, P.C.	MD	27-2830856
ARTA Health Network, P.C.	CA	46-1772418	Hospitaist Medicine Physicians of Front Royal, LLC	VA	--	MAT-RX DEVELOPMENT, LLC	TX	43-1967820
ARTA Western California, Inc.	CA	33-0658915	Hospitaist Medicine Physicians of Harnett County, P.LLC	NC	--	Max-Rx Fort Worth GP, L.L.C.	TX	35-2262695
Aspectus, Inc.	MA	04-3403101	Hospitaist Medicine Physicians of Imperial County, Inc.	CA	--	ME Urgent Care Nebraska, Inc.	NE	81-0938574
Bessler, MD, PLLC	NV	--	Hospitaist Medicine Physicians of Indiana, LLC	IN	--	MedExpress Employed Services, Inc.	DE	81-1265129
Better Health Value Network, LLC	WA	47-4349079	Hospitaist Medicine Physicians of Iowa, PLC	IA	--	MedExpress Primary Care Arizona, P.C.	AZ	81-4550909
California Spring Holdings, PC	CA	81-0881243	Hospitaist Medicine Physicians of Kanawha County, PLLC	WV	--	MedExpress Primary Care Arkansas, P.A.	AR	Applied for
Car, PLLC	TN	--	Hospitaist Medicine Physicians of Kentucky, PLLC	KY	--	MedExpress Primary Care Kansas, P.A.	KS	81-4605885
Centers for Family Medicine, GP	CA	33-0483510	Hospitaist Medicine Physicians of Los Angeles County, Inc.	CA	--	MedExpress Primary Care Maryland, P.C.	MD	82-3384324
Cogen: Healthcare of Pennsylvania, Inc.	PA	--	Hospitaist Medicine Physicians of Louisiana, LLC	LA	--	MedExpress Primary Care Massachusetts, P.C.	MA	82-1056033
Cogen: Healthcare of Texas, P.A.	TX	--	Hospitaist Medicine Physicians of Marathon County, Ltd.	WI	--	MedExpress Primary Care Minnesota, P.C.	MN	81-4366738
Critical Care Physicians of Illinois, LLC	IL	--	Hospitaist Medicine Physicians of Michigan, PLLC	MI	--	MedExpress Primary Care Oklahoma, P.C.	OK	83-1077265
Dallas Inpatient Specialist, PLLC	TX	--	Hospitaist Medicine Physicians of Mississippi, LLC	MS	--	MedExpress Primary Care South Carolina, P.C.	SC	83-0764858
David Moen, M.D. P.C.	NY	81-501448	Hospitaist Medicine Physicians of Monterey County, Inc.	CA	--	MedExpress Primary Care Texas, P.A.	TX	84-2580750
David R. Ferrell, M.D., P.C.	NV	45-2380322	Hospitaist Medicine Physicians of Multiple Practice Sites, LLC	DE	--	MedExpress Primary Care Virginia, P.C.	VA	82-3395792
Day-OP Center Of Long Island Inc.	NY	11-2811353	Hospitaist Medicine Physicians of New York, PLLC	NY	--	MedExpress Primary Care West Virginia, Inc.	WV	82-4401181
Empire Physicians' Medical Group, Inc.	CA	33-0181426	Hospitaist Medicine Physicians of Ohio County, PLLC	WV	--	MedExpress Primary Care Wisconsin, S.C.	WI	81-4563448
Everett Physicians, Inc. P.S.	WA	81-1626636	Hospitaist Medicine Physicians of Rapides Parish, L.L.C.	LA	--	MedExpress Urgent Care - New Jersey, P.C.	NJ	45-5388778
First Hill Surgery Center, LLC	WA	47-2066485	Hospitaist Medicine Physicians of Richland County, Ltd.	OH	--	MedExpress Urgent Care - Northern New Jersey PC	NJ	83-2089623
Fountain Hills Family Practice, P.C.	AZ	--	Hospitaist Medicine Physicians of Samaritan, PLLC	NY	--	MedExpress Urgent Care Arizona, P.C.	AZ	81-4030280
Greater Phoenix Collaborative Care, P.C.	AZ	27-2337725	Hospitaist Medicine Physicians of San Bernardino County, Inc.	CA	--	MedExpress Urgent Care Arkansas, P.A.	AR	46-4348120
HealthCare Partners Affiliates Medical Group	CA	95-4526112	Hospitaist Medicine Physicians of San Luis Obispo County, Inc.	CA	--	MedExpress Urgent Care California, P.C.	CA	82-0930112
HealthCare Partners ASC-HB, LLC	CA	26-4247365	Hospitaist Medicine Physicians of Summit County, Ltd.	OH	--	MedExpress Urgent Care Connecticut, P.C.	CT	81-1956812
HealthCare Partners Associates Medical Group, P.C.	CA	45-5273760	Hospitaist Medicine Physicians of Sylvania Ltd.	OH	--	MedExpress Urgent Care Idaho, P.C.	ID	82-1135338
HealthCare Partners Medical Group (Coats), Ltd.	NV	88-0213519	Hospitaist Medicine Physicians of Texas, PLLC	TX	--	MedExpress Urgent Care Illinois, P.C.	IL	47-4308614
HealthCare Partners Medical Group, P.C.	CA	95-4340584	Hospitaist Medicine Physicians of Washington County, LLC	PA	--	MedExpress Urgent Care Iowa, P.C.	IA	81-5333472
Homecare Dimensions of Florida, Inc.	TX	--	Hospitaist Medicine Physicians of West Virginia, PLLC	WV	--	MedExpress Urgent Care Kansas, P.A.	KS	47-1919293
Homecare Dimensions, Inc.	TX	--	Hospitaist Medicine Physicians of Wisconsin Rapids Ltd.	WI	--	MedExpress Urgent Care Minnesota, P.C.	MN	81-1125356
Hospitalist Medicine Physicians of Wood County, PLLC	WV	--	Hospitaist Medicine Physicians of Wisconsin, Ltd.	WI	--	MedExpress Urgent Care Missouri, P.C.	MO	47-3132625
Hospitalist Medicine of North Carolina, PLLC	NC	--	IN Style OPTICAL, LLC	MA	27-3296953	MedExpress Urgent Care North Carolina, P.C.	NC	81-5138747
Hospitalist Medicine Physician of Broome County, PLLC	NY	--	Independent Physician Management LLC	CA	--	MedExpress Urgent Care Oregon, P.C.	OR	82-1919436
Hospitalist Medicine Physicians of Albany County, PLLC	NY	--	Inland Faculty Medical Group, Inc.	CA	33-0618077	MedExpress Urgent Care Rhode Island, P.C.	RI	81-5362765
Hospitalist Medicine Physicians of Ashland County, Ltd.	OH	--	Inpatient Services PC	CO	--	MedExpress Urgent Care South Carolina, P.C.	SC	81-5380706
Hospitalist Medicine Physicians of Buncombe County, PLLC	NC	--	Inspiris Medical Services of New Jersey, P.C.	NJ	45-2533134	MedExpress Urgent Care Texas, P.A.	TX	47-5947411
Hospitalist Medicine Physicians of Calhoun County, PLLC	MI	--	INSPIRIS of Alabama Medical Services, P.C.	AL	27-2295035	MedExpress Urgent Care Washington, P.C.	WA	82-2443118
Hospitalist Medicine Physicians of California, Inc.	CA	--	Inspiris of Arizona Medical Services, P.C.	AZ	26-2895318	MedExpress Urgent Care Wisconsin, S.C.	WI	81-4281678
Hospitalist Medicine Physicians of Charleston, PLLC	WV	--	INSPIRIS of Florida Medical Services, P.A.	FL	450820510	MedExpress Urgent Care, no. - West Virginia	WV	26-4546430
Hospitalist Medicine Physicians of Connecticut, LLC	CT	--	INSPIRIS of Michigan Medical Services, P.C.	MI	27-1561674	MedExpress Urgent Care, P.C. - Georgia	GA	47-1804667

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**PART 1 – ORGANIZATIONAL CHART****Physician Owned Entities**

Entity Name	Domiciliary Location	ID Number	Entity Name	Domiciliary Location	ID Number	Entity Name	Domiciliary Location	ID Number
MedExpress Urgent Care, F.C. – Indiana	IN	90-0929572	ProHEALTH Accountable Care Medical Group, PLLC	NY	45-4469117	Sound Physicians of Wyoming, LLC	WY	--
MedExpress Urgent Care, F.C. – Maryland	MD	45-3461131	ProHEALTH Ambulatory Surgery Center, Inc.	NY	11-3447394	South Sound Inpatient Physicians, PLLC	MA	--
MedExpress Urgent Care, F.C. – Massachusetts	MA	47-1857938	ProHEALTH Care Associates of New Jersey LLP	NJ	47-5658253	Surgeons of La Veta, Ltd.	CA	75-2507129
MedExpress Urgent Care, F.C. – Michigan	MI	46-4793937	ProHEALTH Medical NY, P.C.	NY	--	Talbert Medical Group, P.C.	CA	93-1172065
MedExpress Urgent Care, F.C. – Oklahoma	OK	47-1824385	ProHealth Physicians, P.C.	CT	08-463068	TeamMD Physicians, P.C.	IA	30-0445773
MedExpress Urgent Care, F.C. – Pennsylvania	PA	26-3750502	ProHEALTH Urgent Care Medicine of New Jersey LLP	NJ	47-5661535	The Everett Clinic, PLLC	VA	91-0214500
MedExpress Urgent Care, F.C. – Tennessee	TN	45-4973138	ProHEALTH Urgent Care Medicine, PLLC	NY	48-883579	The Polyclinic, PLLC	VA	91-0363073
MedExpress Urgent Care, F.C. – Virginia	VA	45-3123110	Prospero Health Partners, P.C.	MN	84-3234753	Urgent Care New York, P.C.	NY	82-2400620
MedExpress Urgent Care, F.S.C. – Kentucky	KY	83-1565124	Prospero Medical Services New Jersey, P.C.	NJ	84-3844362	Urology Specialists Pediatric Division, (McBeath), PLLC	NV	--
MedExpress, Inc. – Delaware	DE	45-5436856	Redlands Family Practice Medical Group, Inc.	CA	56-2627067	USMD Cancer Treatment Centers GP, LLC.	TX	80-0845498
Memorial Healthcare IPA, GP	CA	95-4698463	Reliant Medical The Endoscopy Center, LLC	MA	--	USMD Cancer Treatment Centers, LLC	TX	26-2245431
Metro I Stone Management, Ltd.	TX	59-3392313	Riptide Merger Sub, PC	CA	--	USMD Diagnostic Services, LLC	TX	27-2803133
MH Holdings One, a Medical Corporation	CA	27-4607374	Riverside Community Healthplan Medical Group, Inc.	CA	33-0055097	USMD of Arlington GP, LLC.	TX	73-1662757
MH Merger Sub, a Medical Corporation	CA	27-4607208	Riverside Imaging Center, Inc.	NJ	--	Vein Ablation Specialists and Consultants LLC	AZ	--
MH Physician Three Holdings, a Medical Corporation	CA	27-4691544	Riverside Pediatric Group, P.C.	NJ	22-3821559	Vanderer Merger Sub, A Medical Corporation	CA	--
MHCH, Inc.	CA	80-0507474	Robert A. Bessier, MD, PLLC	NV	--	Waypoint Minnesota PC	MN	46-2854394
MHIPA Physician Two Holdings, a Medical Corporation	CA	27-4691538	Robert B. McBeath, M.D. II, P.C.	NV	88-0857176	Waypoint Minnesota Sports PC	MN	46-3949765
Mobile Medical Services, P.C.	NV	30-0445773	Robert B. McBeath, M.D. III, P.C.	NV	46-2662506	WellMed DFW Medicare ACO, LLC	TX	84-2204650
Mobile-SC, LTD.	AL	63-0893553	Robert B. McBeath, M.D., Professional Corporation	NV	88-0310956	WellMed Florida Medicare ACO, LLC	TX	84-2233329
Monarch Health Plan, Inc.	CA	22-3935634	Robert J. Fauer, MD, P.C.	AZ	--	WellMed Greater Texas Medicare ACO, LLC	TX	34-2178104
Monarch HealthCare, A Medical Group, no.	CA	33-0587660	Saddleback Outpatient Surgery Center, LLC	CA	75-2507128	WellMed Medical Group, P.A.	TX	74-2574229
Monarch Hospice, LLC	CA	30-0636451	San Bernardino Medical Group, Inc.	CA	--	WellMed Network of Florida, Inc.	TX	35-2314192
Mosaic Management Services, Inc.	CA	20-5892451	Sanvello Behavioral Health Services of Texas, P.A.	TX	84-3152208	WellMed Networks - DFW, Inc.	TX	41-2250215
NAMMM Medical Group Holdings, Inc.	CA	56-2627070	Sanvello Behavioral Health Services, P.A.	DE	84-754732	WellMed Networks, Inc.	TX	74-2889447
NAMMMGH, Inc.	CA	61-1627269	Sound Inpatient Physicians – Michigan, PLLC	MI	--	WellMed of Las Cruces, Inc.	TX	32-0183013
Niagara Hospitalist, P.C.	NY	--	Sound Inpatient Physicians Medical Group, Inc.	CA	--	WellMed Tampa/Orlando Medicare ACO, LLC	TX	84-2193803
Nifty After Fifty/Monarch, LLC	CA	26-2995765	Sound Inpatient Physicians of Ohio, LLC	OH	--	WellMed Texas Medicare ACO, LLC	TX	84-2219963
Northridge Medical Group, Inc.	CA	95-4748023	Sound Physicians Emergency Medicine of Kentucky, PLLC	KY	--	West Valley Internal Medicine Associates, LLC.	AZ	--
Northwest Medical Group Alliance, LLC	WA	91-1639944	Sound Physicians Emergency Medicine of Michigan, PLLC	MI	--	West Valley Urgent Care, LLC	AZ	--
NPA IPA, Washington, PLLC	WA	61-1855159	Sound Physicians Emergency Medicine of South Carolina, LLC	SC	--	WND Medical, PLLC	TX	45-2158334
Optum Clinic, P.A.	TX	75-2778455	Sound Physicians Emergency Medicine of Texas, PLLC	TX	--	XLHome Michigan, P.C.	MI	46-3537245
Optum Medical Services of California, P.C.	CA	30-0826311	Sound Physicians Emergency Medicine of West Virginia, PLLC	WV	--	XLHome Northeast, P.C.	NJ	45-5530241
Optum Medical Services of Colorado, P.C.	CO	45-5424191	Sound Physicians Intensivists of Washington, PLLC	WA	--	XLHome Oklahoma, Inc.	OK	46-2931689
Optum Medical Services, P.C.	NC	45-3866363	Sound Physicians of Idaho, PLLC	ID	--	XLHome, P.C.	MD	27-3543997
Perham Physical Therapy, LLC	MN	20-5609377	Sound Physicians of Illinois, LLC	IL	--			
Physician Associates of the Greater San Gabriel Valley	CA	--	Sound Physicians of Indiana, LLC	IN	--			
Physician Partners Medical Group, Inc.	CA	30-0516435	Sound Physicians of Iowa, PLLC	IA	--			
PhysiciansCare Network, LLC.	WA	--	Sound Physicians of Kankakee, Illinois, LLC	IL	--			
Polyclinic Holdings, P.C.	WA	83-3042027	Sound Physicians of Massachusetts, Inc.	MA	--			
Polyclinic Management Services Company, LLC	WA	--	Sound Physicians of Nebraska, LLC	NE	--			
Primary Care Associated Medical Group, Inc.	CA	33-0527335	Sound Physicians of New Jersey, LLC	NJ	--			
Prime Community Care, Inc.	CA	30-0516440	Sound Physicians of New York, PLLC	NY	--			
PrimeCare Medical Group of Chino Valley, Inc.	CA	33-0645768	Sound Physicians of North Carolina, PLLC	NC	--			
Professional Coverage Services, PLLC	TN	--	Sound Physicians of South Carolina, LLC	SC	--			

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) COI Participações S.A. is 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
- (6) TBD
- (7) UnitedHealthcare India Private Limited is 99.999335% owned by OptumHealthInternational B.V. and 0.000665% owned by UnitedHealth International, Inc. OptumHealth International BV holds 100% of the issued preference shares.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (9) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
- (10) WellMed Medical Management, Inc. is 85% owned by Collaborative Care Holdings, LLC and 15% owned by WMG Healthcare Partners, L.P.
- (11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.00001% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (12) Optum Health & Technology (India) Private Limited is 99.9995% owned by OptumHealth International B.V. and 0.0005 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
- (14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
- (15) Optum Clinics Holdings, Inc. is 97.9% owned by Collaborative Care Holdings, LLC and 2.1% is owned by external shareholders.
- (16) Optum Global Solutions (India) Private Limited is 99.999466 % owned by Optum Global Solutions International BV and 0.000534% UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
- (17) Amico Saúde Ltda. is 98.927933% owned by Santa Helena Assistência Médica S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (18) Esho – Empresa de Serviços Hospitalares S.A. is 99.667% owned by Amil Assistência Médica Internacional S.A.and the remaining 0.31798923769% is owned by external shareholders and 0.01462081847% is owned by Treasury Shares.
- (19) Etho – Empresa de Tecnologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A.and 17.358% owned by an external shareholder.
- (20) Orthology, Inc. is 98% owned by UnitedHealth Group Ventures, LLC and 2% owned by external shareholders.
- (21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
- (22) Branch offices in Iraq and Uganda.
- (23) Cemed Care Empresa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% owned by Esho – Empresa de Serviços Hospitalares S.A.

- (24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
- (25) Optum Health & Technology Serviços do Brasil Ltda. is 99.998364% owned by Optum Global Solutions International B.V. and the remaining 0.001636% is owned by OptumInsight, Inc.
- (26) Bosque Medical Center Ltda. is 82.64% owned by Amil Assistência Médica Internacional S.A. and 17.3521% owned by Esho – Empresa de Servicos Hospitalares S.A.
- (27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
- (28) Real Appeal, Inc. is 98% owned by Rally Health, and the remaining 2% is owned by external shareholders.
- (29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by individual shareholders who are directors of the company.
- (30) Amil Clinical Research Participações Ltda. is 99.95% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.05% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
- (32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000001% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (33) Hospital Alvorada Taguatinga Ltda. is 83.87% owned by Amil Assistência Médica Internacional S.A.8.62433% by Bosque Medical Center Ltda., and 7.49% is owned by Hospital Samaritano de São Paulo Ltda.
- (34) Registered as foreign shareholder in Brazil.
- (35) FrontierMEDEX Kenya Limited is 99.9% owned by UnitedHealthcare Global Medical (UK) Limited and 0.1% owned by UnitedHealthcare International I B.V.
- (36) UnitedHealthcare Global Canada Limited is registered in Nova Scotia and Newfoundland& Labrador.
- (37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (29.39634%), and UnitedHealth Group Incorporated (70.60366%).
- (38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (39) Optum Global Solutions International B.V. is 97.48% owned by Optum Technology, Inc. and 2.52% is owned by OptumHealth International B.V.
- (40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
- (41) Lusiadas A.C.E. is 55% owned by Lusiadas, SGPS, S.A., 10% owned by Lusiadas – Parcerias Cascais, S.A., 20% owned by Lusiadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
- (42) TBD
- (43) Frontier Medex Tanzania Limited is 99% owned by UnitedHealthcare Global Medical (UK) Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.
- (44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.9999%owned byAmil Assistência Médica Internacional S.A.and the remaining 0.0001% (1 quota) is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.

- (45) Multiangio Ltda. is 93% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 7% is owned by external shareholders.
- (46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
- (47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
- (48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A.and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
- (49) Optum360 Services, Inc.is 69% owned by Optum Rocket, Inc. and the remaining 31% is owned by external investors.
- (50) OptumInsight India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
- (51) Branch office located in the United States.
- (52) UnitedHealthcare Insurance Company has a representative office in Beijing, China.
- (53) 4C MSO LLC, is 70% owned by Collaborative Care Holdings, LLC and 30% is owned by 5C Holdings LLC.
- (54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
- (55) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
- (58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
- (59) XLHealth Corporation holds 99.998%, UnitedHealth International, Inc. holds .002%.
- (60) Hospitais Associados de Pernambuco Ltda. is 99.99992% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.00008% is owned by Hospital Alvorada Taguatinga Ltda
- (61) Topimagem Diagnóstico por Imagem Ltda.is 99% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 1% interest is owned by external shareholders.
- (62) Dilab – Medicina Nuclear Ltda is 95% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 5% is owned by external shareholders.
- (63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
- (64) Clinica Oftalmologica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clínica e Cirurgica Ltda.
- (65) Lotten-Eyes Oftalmologia Clínica e Cirurgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda.and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clínica e Cirurgica Ltda.
- (67) UHCG-FZE is registered in the Dubai Silicon Oasis free zone.
- (68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholder
- (70) Santa Helena Assistência Médica S.A. is 77.30% owned by Elual Participações S.A. and The remaining 22.29222% is owned by Amil Assistência Médica Internacional S.A. and 0.40649% is owned by external shareholder.
- (71) Registered branches in Australia and the UK.
- (72) Hospital Ana Costa S.A. is 99.52% owned by Plano de Saúde Ana Costa Ltda., 0.375900% is owned by Hospital Alvorada de Taguatinga Ltda. and 0.104634107% is owned by external shareholders.
- (73) The remaining 42.50% is owned by multiple sources.
- (74) The remaining 0.0001% is owned by Amil Assistência Médica Internacional S.A.
- (75) The remaining 32.06% is owned by multiple sources.
- (76) Hospital Alvorada de Taguatinga Ltda. decreased its ownership in Casa de Saúde Santa Therezinha S.A. from 100% to 99.99%. The remaining 0.000001% is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (77) The remaining 49% is owned by multiple sources.
- (78) The remaining 0.0005% is owned by Hospital Alvorada Taguatinga Ltda.
- (79) The remaining 37.75% is owned by multiple sources.
- (80) Registered in the Dubai Healthcare City free zone.
- (81) Hospital Alvorada Taguatinga Ltda. owns 99.99944% of Eye Clinic Oftalmologia Clínico Cirúrgica e Diagnóstico Ltda. and the remaining 0.00056% is owned by Lotten-Eyes Oftalmologia Clínica e Cirurgica Ltda.
- (82) Plano de Saúde Ana Costa Ltda. is 74.85961% owned by Amil Assistência Médica. Internacional S.A. and the remaining 25.14039% is owned by Santos Administração e Participações S.A.
- (83) OptumInsight, Inc. is registered as foreign shareholders in Brazil.
- (84) The remaining 49% is owned by multiple sources.
- (85) The remaining 27% is owned by multiple sources.
- (86) The remaining 37.26% is owned by multiple sources.
- (87) The remaining 49.59% is owned by multiple sources.
- (88) COI Clínicas Oncológicas Integradas S.A. owns 99.999997% of Instituto do Radium de Campinas Ltda. And the remaining 0.000003%) is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (89) The remaining 49.28% is owned by multiple sources..
- (90) The remaining 23.55% is owned by multiple sources.
- (91) The remaining 38% is owned by multiple sources.
- (92) The remaining 1% is owned by multiple sources.
- (93) The remaining 44.97% is owned by multiple sources.
- (94) The remaining 38.80% is owned by multiple sources.
- (95) TBD
- (96) The remaining 9.51% is owned by multiple sources.
- (97) The remaining 45% is owned by multiple sources.
- (98) The remaining 49% is owned by multiple sources.
- (99) The remaining 49.15% is owned by multiple sources.
- (100) The remaining 45% is owned by multiple sources.
- (101) The remaining 30% is owned by multiple sources.
- (102) UnitedHealthcare International X S.á.r.l. holds 100% of the common shares, 403,948,524 common shares.
UnitedHealthcare International III S.á.r.l. holds 100% of the preferred shares, 513,899,520 preferred shares.
- (103) The remaining 0.01% is held by UnitedHealth International, Inc.

- (104) The remaining 1% is owned by multiple sources.
- (105) The remaining 49.82% is owned by multiple sources.
- (106) The remaining 32.05% is owned by multiple sources.
- (107) The remaining 46.12% is owned by multiple sources.
- (108) The remaining 40.60% is owned by multiple sources.
- (109) The remaining 41.58% is owned by multiple sources.
- (110) The remaining 21.13% is owned by multiple sources.
- (111) The remaining 50% is owned by multiple sources.
- (112) The remaining 19.9% is owned by Nineteen.Nine Holdings, LLC.
- (113) The remaining 0.01% is owned by an individual shareholder.
- (114) The remaining 44.64% is owned by multiple sources.
- (115) The remaining 49% is owned by multiple sources.
- (116) The remaining 48.55% is owned by multiple sources.
- (117) The remaining 1% is owned by multiple sources.
- (118) The remaining 46.15% is owned by multiple sources.
- (119) The remaining 23% is owned by multiple sources.
- (120) The remaining 3% is owned by multiple sources.
- (121) TBD
- (122) The remaining 43% is owned by multiple sources.
- (123) TBD
- (124) The remaining 47.81% is owned by multiple sources.
- (125) The remaining 39.5% is owned by multiple sources.
- (126) The remaining 41% is owned by multiple sources.
- (127) The co-founders of Pacifica Labs, Inc. own the remaining 14.21%.
- (128) The remaining 50% is owned by multiple sources.
- (129) The remaining 41% is owned by multiple sources.
- (130) The remaining 50% is owned by multiple sources.
- (131) The remaining 40.68% is owned by multiple sources.
- (132) The remaining 51.50% is owned by multiple sources.
- (133) The remaining 49.9% is owned by multiple sources.
- (134) The remaining 13% is owned by multiple sources.
- (135) The remaining 34.87% is owned by multiple sources.
- (136) The remaining 46.48% is owned by multiple sources.
- (137) The remaining 41.20% is owned by multiple sources.
- (138) The remaining 35% is owned by multiple sources.
- (139) The remaining 48.06% is owned by multiple sources.
- (140) The remaining 46% is owned by multiple sources.
- (141) The remaining 45% is owned by multiple sources.
- (142) The remaining 43.31% is owned by multiple sources.
- (143) The remaining 49.02% is owned by multiple sources.
- (144) The remaining 47.36% is owned by multiple sources.
- (145) The remaining 37.92% is owned by multiple sources.
- (146) The remaining 27.47% is owned by multiple sources.
- (147) The remaining 45.46% is owned by multiple sources.
- (148) The remaining 41.33% is owned by multiple sources.
- (149) The remaining 27.25% is owned by multiple sources.
- (150) The remaining 49% is owned by multiple sources.
- (151) The remaining 45% is owned by multiple sources.
- (152) The remaining 26.31% is owned by multiple sources.
- (153) The remaining 26.96% is owned by multiple sources.
- (154) The remaining 40.35% is owned by multiple sources
- (155) The remaining 38.14% is owned by multiple sources.
- (156) The remaining 1% is owned by another source.
- (157) The remaining 20% is owned by an individual manager of the entity.

- (158-165) TBD
- (166) The remaining 30% is owned by multiple sources.
- (167) The remaining 49% is owned by multiple sources.
- (168) The remaining 49% is owned by multiple sources.
- (169) The remaining 50% is owned by multiple sources.
- (170) The remaining 38.62% is owned by multiple sources.
- (171) The remaining 45.21% is owned by multiple sources.
- (172) The remaining 49% is owned by multiple sources.
- (173-218) TBD
- (219) The remaining 49% is owned by multiple sources.
- (220) The remaining 50% is owned by multiple sources.
- (221) Hygeia Corporation, a Delaware corporation, acquired a 1.28978% ownership interest in FMG Holdings LLC, a Delaware limited liability company.
- (223) The remaining 40.48% is owned by multiple sources.
- (224) The remaining 49% is owned by multiple sources.
- (225) The remaining 48.7% is owned by multiple sources.
- (226) The remaining 36.13% is owned by multiple sources.
- (227) The remaining 49% is owned by multiple sources.
- (228) The remaining 49% is owned by multiple sources.
- (229) The remaining 35.75% is owned by multiple sources.
- (230) The remaining 74% is owned by multiple sources.
- (231) The remaining 49% is owned by multiple sources.
- (232) The remaining 46.55 is owned by multiple sources.
- (233) The remaining 49% is owned by multiple sources.
- (234) The remaining 26% is owned by multiple sources.
- (235) The remaining 29.29% is owned by multiple sources
- (236) The remaining 1.77% is owned by external shareholders.
- (237) The remaining 0.1% is owned by Inversiones Clínicas Santa María S.A.
- (238) Minority ownership is held by thid party shareholders. Corporate name is Inmobiliaria Santa María S.A.
- (239) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
- (240) Constructora Inmobiliaria Megapoq S.A owns 1 share.
- (241) The remaining 0.0001% is owned by Saden S.A.
- (242) Minority ownership is held by several third party shareholders.
- (243) In accordance to a capital increase executed on 2018, Clínica Santa María S.A. owns 99.9% of the shares. Minority ownership is held by Sociedad de Inversiones Santa María S.A.
- (244) The remaining 0.2569% is owned by Clínica Dávila y Servicios Médicos S.A.
- (245) The remaining 0.8238% is owned by Clínica Santa María S.A.
- (246) The remaining 0.009% is owned by Clínica Santa María S.A.
- (247) The remaining 0.10% is owned by Clínica Santa María S.A.
- (248) The remaining 50% is owned by Clínica Santa María S.A.
- (249) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
- (250) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
- (251) The remaining 0.1% is owned by Inmobiliaria Apoquindo 3600 Ltda.
- (252) The remaining 0.02% is owned by Saden S.A.
- (253) The remaining 0.0001% is owned by Saden S.A.
- (254) The remaining 0.159% is owned by Saden S.A.
- (255) The remaining 0.01% is owned by Saden S.A.
- (256) The remaining 0.01% is owned by Clínica Dávila y Servicios Médicos S.A.
- (257) The remaining 25.75% is owned by several third party shareholders.
- (258) The remaining 6.55% is owned by third party shareholders.
- (259) The remaining 0.1% is owned by Servicios Amed Quilpué S.A.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (260) The remaining 0.1% is owned by Laboratorios Médicos Amed Quilpué S.A.
- (261) The remaining 50% is owned by Gorki Osorio Vargas (25%) and Danilo Valderrama Torrealba (25%).
- (262) The remaining 0.1% is owned by Simón Sacks Link.
- (263) The remaining 15.5% is owned by third pary shareholders.
- (264) The remaining 6,66% is owned by Centromed Quilpué S.A.
- (265) The remaining 0.000065% is owned by Clínica Dávila y Servicios Médicos S.A.
- (266) The remaining 0.0001% is owned by Banmédica S.A.
- (267) The remaining 1% is owned by Saden S.A.
- (268) The remaining 0.0001% is owned by Banmédica S.A.
- (269) The remaining 1% is owned by Saden S.A.
- (270) The remaining 0.0001% is owned by Banmédica S.A.
- (271) The remaining 1% is owned by Saden S.A.
- (272) Inmobiliaria Megapoq S.A owns 1 share (0.0000%)
- (273) The remaining 7.62% is owned by Banmédica Colombia S.A. (7.619%), Juan Guillermo Ruiz (0.000142%) and Servicios Legales Corporativos Ltda. (0.000142%).
- (274) No information of the minority shareholder(s) has been provided.
- (275) No information of the minority shareholder(s) has been provided.
- (276) No information of the minority shareholder(s) has been provided.
- (277) No information of the minority shareholder(s) has been provided.
- (278) The other shareholder, with the other 50% is El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros S.A., part of the Credicorp Group
- (279) No information of the minority shareholder(s) has been provided.
- (280) No information of the minority shareholder(s) has been provided.
- (281) No information of the minority shareholder(s) has been provided.
- (282) No information of the minority shareholder(s) has been provided.
- (283) No information of the minority shareholder(s) has been provided.
- (284) No information of the minority shareholder(s) has been provided.
- (285) No information of the minority shareholder(s) has been provided.
- (286) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
- (287) The remaining 0.00004% is owned by Saden S.A.
- (288) The remaining 0.00004% is owned by Saden S.A.
- (289) The remaining 0.0017% is owned by Saden S.A.
- (290) The remaining 0.0001% is owned by Saden S.A.
- (291) The remaining 0.08% is owned by Clínica Dávila y Servicios Médicos S.A.
- (292) The remaining 50% is owned by CDC Holdings Colombia S.A.S.
- (293) No information of the other shareholder(s) has been provided.
- (294) The remaining 0.3% is owned by Inmobiliaria Apoquindo 3001 S.A.

- (294) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
- (295) The remaining 0.0001% is owned by Saden S.A.
- (296) The remaining 0.0008% is owned by Vida Tres Internacional S.A.
- (297) The remaining 0.01% is owned by Saden S.A.
- (298) The remaining 50% is owned by CDC Holdings Colombia S.A.S.
- (299) No information of the other shareholder(s) has been provided
- (300) No information of the other shareholder(s) has been provided
- (301) Banmédica S.A. owns 9.67% and Promotora del Country S.A. (Colombia) owns 0.23%. This Patrimony has two business units (Conuntry and Hill).
- (302) The remaining 50% is owned by CDC Holdings Colombia S.A.S.
- (303) The remaining 46.55% is owned by multiple sources.
- (304) The remaining 49% is owned by multiple sources
- (305) The remaining 27.47% is owned by multiple sources
- (306) The remaining 49% is owned by multiple sources
- (307) The remaining 50% is owned by multiple sources.
- (308) The remaining 36.99% is owned by multiple sources.
- (309) The remaining 44.64% is owned by multiple sources.
- (310) The remaining 19.9% is owned by an external third party.
- (311) The remaining 42% is owned by OptumRx Health Solutions, LLC.
- (312) The remaining 45.7% is owned by multiple sources.
- (313) The remaining 18.24 is owned by multiple sources.
- (314) The remaining 41.01 is owned by multiple sources.
- (315) This entity has numerous direct and indirect subsidiaries domiciled in several different states. Certain of these entities were divested and certain others had (or have planned) name changes, internal reorganizations and/or changes in legal entity formation. Given the complicated and developing nature of this situation, additional details will be forthcoming.
- (316) The remaining 20.41% is owned by multiple sources.
- (317) The remaining 33% is owned by multiple sources.
- (318) The remaining 50% is owned by an outside third party.
- (319) The remaining 28.75% is owned by an outside third party.
- (320) The remaining 33% is owned by an outside third party.
- (321) The remaining 1% is owned by an outside third party.
- (322) The remaining 15% is owned by an outside third party.
- (323) UnitedHealth Group International Holdings I Inc. has the following ownership: UHG – 70.60366 ordinary shares AND 100 shares of Series A Preferred Stock; FMG Holdings, LLC – 29.39634 ordinary shares

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. State Taxes Recoverable	0	0	0	4,500,253
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	4,500,253

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Information Technology	277,394	99,789	578,239	0	955,422
2505. Interest	55,428	19,940	254,457	0	329,825
2506. Miscellaneous Losses	8,694	3,128	(67,428)	0	(55,606)
2597. Summary of remaining write-ins for Line 25 from overflow page	341,516	122,857	765,268	0	1,229,641

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE UnitedHealthcare of the Midlands, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 2D Line 5

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
0504. High-Cost Risk Pool Payable	9,364	9,364	0	0	0	0	0	0	0
0597. Summary of remaining write-ins for Line 5 from overflow page	9,364	9,364	0	0	0	0	0	0	0

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business 7

Assets 2

Cash Flow 6

Exhibit 1 - Enrollment By Product Type for Health Business Only 17

Exhibit 2 - Accident and Health Premiums Due and Unpaid 18

Exhibit 3 - Health Care Receivables 19

Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued 20

Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus 21

Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates 22

Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates 23

Exhibit 7 - Part 1 - Summary of Transactions With Providers 24

Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries 24

Exhibit 8 - Furniture, Equipment and Supplies Owned 25

Exhibit of Capital Gains (Losses) 15

Exhibit of Net Investment Income 15

Exhibit of Nonadmitted Assets 16

Exhibit of Premiums, Enrollment and Utilization (State Page) 30

Five-Year Historical Data 29

General Interrogatories 27

Jurat Page 1

Liabilities, Capital and Surplus 3

Notes To Financial Statements 26

Overflow Page For Write-ins 44

Schedule A - Part 1 E01

Schedule A - Part 2 E02

Schedule A - Part 3 E03

Schedule A - Verification Between Years SI02

Schedule B - Part 1 E04

Schedule B - Part 2 E05

Schedule B - Part 3 E06

Schedule B - Verification Between Years SI02

Schedule BA - Part 1 E07

Schedule BA - Part 2 E08

Schedule BA - Part 3 E09

Schedule BA - Verification Between Years SI03

Schedule D - Part 1 E10

Schedule D - Part 1A - Section 1 SI05

Schedule D - Part 1A - Section 2 SI08

Schedule D - Part 2 - Section 1 E11

Schedule D - Part 2 - Section 2 E12

Schedule D - Part 3 E13

Schedule D - Part 4 E14

Schedule D - Part 5 E15

Schedule D - Part 6 - Section 1 E16

Schedule D - Part 6 - Section 2 E16

Schedule D - Summary By Country SI04

Schedule D - Verification Between Years SI03

Schedule DA - Part 1 E17

Schedule DA - Verification Between Years SI10

Schedule DB - Part A - Section 1 E18

Schedule DB - Part A - Section 2 E19

Schedule DB - Part A - Verification Between Years SI11

Schedule DB - Part B - Section 1 E20

Schedule DB - Part B - Section 2 E21

Schedule DB - Part B - Verification Between Years SI11

Schedule DB - Part C - Section 1 SI12

Schedule DB - Part C - Section 2 SI13

Schedule DB - Part D - Section 1 E22

Schedule DB - Part D - Section 2 E23

Schedule DB - Part E E24

Schedule DB - Verification SI14

Schedule DL - Part 1 E25

Schedule DL - Part 2 E26

Schedule E - Part 1 - Cash E27

Schedule E - Part 2 - Cash Equivalents E28

Schedule E - Part 2 - Verification Between Years SI15

Schedule E - Part 3 - Special Deposits E29

ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6.....	36
Schedule S - Part 7.....	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14